



Daily Report

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General

Li Peng Departs on Asian Goodwill Tour

OW1012042490 Beijing XINHUA in English
0340 GMT 10 Dec 90

[Text] Beijing, December 10 (XINHUA)—Chinese Premier Li Peng left here this morning by special plane on an official goodwill visit to Malaysia, the Philippines, Laos and Sri Lanka.

Li is visiting the four countries at the invitations of Prime Minister Datuk Sri Mahathir bin Mohamad of Malaysia, President Corazon C. Aquino of the Philippines, Chairman of the Council of Ministers Kaysone Phomvihane of Laos and Prime Minister D.B. Wijetunge of Sri Lanka. Among those who saw him off at the airport were General Secretary of the Chinese Communist Party Central Committee Jiang Zemin, Vice-Premiers Yao Yilin and Wu Xueqian, Vice-Chairman of the Chinese National People's Congress Standing Committee Peng Chong, and diplomatic envoys of the four countries.

Before boarding the plane, Li told Chinese and foreign reporters that it was his conviction that his current visit "will contribute to the friendship and cooperation between China and ASEAN and the other related countries."

Premier was accompanied during the visit by his wife Zhu Lin, Foreign Minister Qian Qichen, Minister in Charge of the State Commission for Restructuring Economy Chen Jinhua, and Vice-Minister of Foreign Economic Relations and Trade Li Lanqing and Vice-Minister of Public Security Tao Siju.

Commentator Outlines Tour

HK1012051690 Beijing CHINA DAILY in English
10 Dec 90 p 4

[By CHINA DAILY Commentator: "Goodwill Visits"]

[Text] The Chinese Premier is adding the finishing touches to China's remarkable diplomatic success this year by making a tour, starting today, to Malaysia, the Philippines, Laos and Sri Lanka.

And it is no coincidence that the destinations for his year-end official good-will visits are all in China's Asian neighbourhood.

A good neighbourhood is one of the most valuable stocks of hope not only for one country's national security, but also for its stable development—a feature to which China is assigning greater and greater importance.

Developing good neighbourly relations is an integral part of China's effort to pursue what it calls an "independent peaceful foreign policy." And the mere fact that the

Premier has managed to fit this four-nation tour into his already tight schedule reveals the policy priorities of the Chinese Government.

The Premier's tour is yet another major achievement in the field of China's foreign relations in the run-up to the nation's New Year celebrations. It is expected to produce even closer ties with those friendly neighbours as well as a greater chance for peace in the region.

China is sincere in its wish for good neighbours and it is sincere in its desire for development. Over the past decade, it has concentrated on economic reform and opening up to the outside world.

A peaceful international environment, it goes without saying, is what the People's Republic dearly aspires to as it concentrates on its development tasks.

A peaceful environment is good not only for China, but for the whole of Asia too.

Shared Interest

The cultural traditions and social systems of the four countries on the Premier's itinerary may be diverse, but they all need to forge ahead with ambitious development programmes and they all share the desire for peace.

China's endorsement of this shared interest can be seen in its understanding of the famous Five Principles of Peaceful Co-existence—a widely accepted set of rules governing international relations which was first proposed by the Asian countries.

Malaysia and the Philippines, two of the six Asean members, are the Premier's first stop. Major steps taken so far this year to develop cooperation between China and Asean were resumption of Sino-Indonesian diplomatic ties in August and the establishment of formal relations between China and Singapore in October.

China and Laos normalized their relationship last year when Kaysone Phomvihane, Chairman of the Laotian Council of Ministers visited China.

The good relationship between China and Sri Lanka, meanwhile, can be regarded as long-standing. It has been good ever since their diplomatic ties were first established in the 1950s.

Cambodia

It is also because of China's acknowledgement of the shared interests of the nations in the region that China has been dedicated and patient in pursuing a peaceful settlement of the Cambodia issue.

Thanks to the joint efforts of the international community, including China and the Asean countries, the solution of Cambodia question had appeared to be not too far away. But it is regrettable that new complications might hamper the process towards reaching a fair, reasonable, and comprehensive settlement of the issue.

according to the framework documents adopted by the five permanent members of the United Nations Security Council.

It is believed that any retreat from these framework documents on which millions of people pin their hopes for a long-lasting peace would be most unpopular in this region.

Qian Qichen Views Relations With U.S., Others

HK1012092790 Beijing ZHONGGUO XINWEN SHE in Chinese 1001 GMT 9 Dec 90

[Report by staff reporter Li Wei (2621 0251): "An Interview With Chinese Foreign Minister Qian Qichen on Sino-American, Sino-British Relations, and Other Issues"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 9 Dec (ZHONGGUO XINWEN SHE)—Foreign Minister Qian Qichen was indeed very busy. When I arrived on time to interview him by appointment in the Foreign Ministry building, he had been abruptly notified to attend an important meeting and the scheduled interview had to be postponed 40 minutes, which meant that I would only get 40 minutes for my interview.

With the simple salutatory remark of "Thank you for granting the interview," I went ahead with my first question: Could you please first make some comments on the current state and the prospects of the Sino-U.S. relations?

The foreign minister, who had just visited Washington, replied: After "4 June" last year, some new obstacles cropped up. Through the combined efforts of both sides, there has been much improvement in Sino-U.S. relations this year. My recent formal visit to the United States was the first high-level official visit between China and the United States in one and a half years. It was meaningful. I met with President Bush, Secretary of State Baker, Secretary of Commerce Mosbacher, and nine congressmen from the Senate and the House of Representatives. We exchanged our opinions in a frank and friendly atmosphere, which led to a better understanding between the two countries. This visit contributed to the further restoration and development of Sino-U.S. relations.

"China and the United States are both permanent members of the UN Security Council and the biggest countries along the Pacific rim. Restoring and developing Sino-U.S. relations are in the fundamental interest of the two peoples and also conducive to peace and stability in the Asian-Pacific region and the whole world. The differences in social systems, ideology, and value judgments between the two countries are in objective existence and understandable. Nevertheless, they also share an extensive range of common interests which are also in objective existence. I believe that as long as we respect each other and work to improve our mutual understanding, the relations between the two countries will be

able to follow a normal course of development on the basis of their common interests."

"What is your opinion on China's relations with West European countries?"

Foreign Minister Qian replied: "China has always attached great importance to the development of its relations with West European countries. It has been plain sailing for their cooperation in politics, economy, and science and technology for over 10 years. Some trouble came in the way last year, but in October this year, the EEC and its member states decided to restore their normal relations with China. The Spanish foreign minister came on a formal visit to China in late November. I will also visit some West European countries at an appropriate time next year."

He went on to say that China will start implementing the "Eighth Five-Year Plan" next year and the integration of West Europe is also making constant progress. This will bring new possibilities for their cooperation. He expressed his optimism about China's relations with West Europe.

Following that, I asked a question about Hong Kong and Macao: How was the Sino-British and Sino-Portuguese cooperation in the past year? How does China plan to strengthen such cooperation?

As an initial response to this question, he made the following two statements: "Since the Sino-British Joint Declaration was signed, China and Britain have carried out fruitful cooperation on the question of Hong Kong," but "a setback that was not meant to be happened last year."

Recalling from his memory, he said: "When I was in Paris attending the international conference on the Cambodian issue on 30 July last year, I met Mr. Major, then foreign minister [title as received] and now prime minister of Britain. We discussed Sino-British relations and also the question of Hong Kong. We agreed that maintaining Hong Kong's prosperity and stability is in the interest of Hong Kong residents and also beneficial to China and Britain. We reached an agreement at that time, deciding to resume the work of the Sino-British Joint Liaison Group. That meeting, which left a deep impression on me, was very important."

Foreign Minister Qian brought his memory forward to this year: "In July this year, Britain's Foreign Office Minister Maude visited China. When the UN General Assembly was in session, the foreign ministers of China and Britain met with each other. Last month, our Vice Foreign Minister Tian Zengpei visited Britain. These visits and meetings were all successful. It is recognized by both sides as necessary to continue to strengthen cooperation and settle well the question of Hong Kong in the transition period. Meanwhile, the Sino-British Joint Liaison Group has held two meetings so far this year, making some progress in the discussion of such issues as

the extradition of criminals at large and the establishment of the court of last resort. The third meeting will be held in mid-December and I believe new progress will be made at this meeting. In January next year, Hong Kong Governor David Wilson will visit Beijing on invitation. All this indicates that China and Britain have been in frequent contact with each other and are both willing to continue their endeavor to deepen the friendly cooperation between the two countries on the basis of the Joint Declaration."

As for Sino-Portuguese cooperation on the question of Macao, Qian Qichen summarized it with the remark that the work of the Sino-Portuguese Joint Liaison Group has been moving on smoothly.

He mentioned some achievements in cooperation, such as the three meetings and a number of expert conferences held by this group this year; the agreement on Macao's joining the General Agreement on Tariffs and Trade and the World Tourist Organization; the common understanding reached on the reissue of ID cards for Macao residents, and the decision on the institutionalization, in the form of expert conference, of three major issues—i.e., the language, the localization of public servants, and the Chinese translation of legal documents, all of which are closely related to the transition period for Macao. He made special mention of Portuguese President Soares's visit to Macao last month, saying it contributes to Macao's stability and the development of Sino-Portuguese relations.

Qian Qichen also told me that Portuguese Foreign Minister Pinheiro, who had visited China two years before, had formally invited him to visit Portugal when the UN General Assembly was in session this year. "I promised to visit Portugal at the earliest date possible, probably after the Spring Festival," he said.

Our topic then switched from the question of Hong Kong and Macao to that of Taiwan.

Qian Qichen asserted: If Taiwan is to develop nongovernmental trade relations in the capacity of a region, they still have what they term as space for activity, but this space will be impossible if they want to practice "two Chinas" and "Taiwan independence."

"In my opinion, Taiwan has lost popular support by using money as bait in some countries to 'establish diplomatic relations' or 'restore diplomatic relations.' This attempt will only come to grief in the end because the people on both sides of the strait cherish one common understanding, that is: There is only one China. Creating 'two Chinas' and practicing 'Taiwan independence' are opposed on both sides. Taiwan's 'silver-bullet diplomacy' is against the will of all Chinese, inside and outside China, who care about the unification of the motherland; it also violates the Taiwan authorities' stand that 'there is only one China.'"

The moment Foreign Minister Qian asked "Any more questions?" I cut short my note-taking and raised my last

question: What is the chief embodiment of China's policy of independence, initiative, and peaceful diplomacy?

This foreign minister, known to many as a quick-witted, capable, and steady person, said after a little thinking: Let me cite a recent case.

He went on: China abstained from voting on the UN Security Council Resolution 678 which authorized the use of force against Iraq and took a stand different from some big countries, but China voted for all the preceding 11 relevant resolutions. This is because though the measures proposed in those earlier resolutions were also very severe, they could all be seen as ways toward a peaceful solution. Resolution 678, however, was different, and its purpose was to demand Iraq withdraw its troops from Kuwait. The means was military action and war. The United Nations has brought about ghastly consequences by authorizing some of its member-states to use force against another. The Korean war that came shortly after the People's Republic of China was founded remains fresh in the memory of the Chinese people, therefore China could not possibly vote for Resolution 678.

Qian Qichen emphasized that it has always been China's policy to oppose one country's aggression or military action against another. China has never stepped away from this stand, be it toward the U.S. invasion of Panama, the Soviet aggression against Afghanistan, or the Vietnamese invasion of Cambodia. "China treats everything in light of the fundamental interests of the Chinese people and the people around the world. All decisions are made according to the rights and wrongs of the things themselves. This—the maintenance of independence and initiative—is the very foundation of China's diplomatic policy."

This was how Qian Qichen expounded the principle and criterion by which the great and proud nation of China judges and handles things. Soft as his tone was, there was much strength in it.

My feeling told me it was time to conclude this interview. Once again, I expressed my thanks to this amiable and approachable foreign minister; I then walked toward the door that he had opened for me. When shaking hands with him to say goodbye, I looked around his office. My eyes were drawn to his large, antique desk, as well as several telephones in a variety of colors and a big globe on the desk, and a "Map of the World" that occupied more than half of the wall opposite the desk.

XINHUA 'Yearender' Reviews 1990 Diplomacy

OW0712193990 Beijing XINHUA Domestic Service
in Chinese 0802 GMT 7 Dec 90

["Yearender: China's Remarkable Diplomacy in 1990"—XINHUA headline; by reporters Chen Wenying (7115 2429 5391) and Chen Xiaochun (7115 2556 2504)]

[Text] Beijing, 7 Dec (XINHUA)—The international situation in 1990 has been marked by constant, significant change. Over the past year, China has adhered to its independent and peaceful foreign policy, persisted in developing friendly relations with other countries on the basis of the five principles of peaceful coexistence, and upheld its policy of reform and opening to the outside world. As a result, China has made remarkable accomplishments in diplomacy.

This year has seen China successively establish diplomatic ties with four countries. They include Namibia, a newly independent African country; the Kingdom of Saudi Arabia, an oil-rich nation in the Middle East; Singapore, a neighboring country of China; and the Republic of the Marshall Islands, an island country in the Pacific Ocean. In addition, China has resumed diplomatic ties with the Republic of Indonesia, which had been suspended for 23 years. All of this has helped open new vistas for China to cultivate friendly and cooperative relations with these countries.

In the past year, China has further improved and developed relations with its neighboring countries. Premier Li Peng's visits to Indonesia, Singapore, and Thailand in August; the rapprochement between China and Indonesia; the establishment of diplomatic ties with Singapore; and the recent visits to China by leaders of the three countries all signal that China has entered a new stage in its relations with member nations of the Association of Southeast Asian Nations. The bilateral relations between China and the Soviet Union have grown steadily since their normalization in May of last year. Premier Li Peng's visit to the Soviet Union last April has further strengthened the good-neighborly and friendly ties between the two countries. In March this year, General Secretary Jiang Zemin paid a goodwill visit to Korea, further consolidating the traditionally friendly relations between the two countries. China has markedly improved its ties with the People's Republic of Mongolia. It also has seen progress in its friendly relations with South Asian countries. China and Japan, the people of which hope to be friends for generation after generation, have been moving toward restoring their normal relations.

Premier Li Peng's official visit to Malaysia, the Philippines, Laos, and Sri Lanka in December will further cement China's friendship with these countries.

As a developing country, a basic policy in China's diplomacy is to promote solidarity and cooperation with Third World countries. Since the beginning of this year, China has markedly increased its contacts with the Third World. President Yang Shangkun visited Mexico, Brazil, Uruguay, Argentina, and Chile in May. The event marked the first visit by a Chinese head of state to Latin America since the founding of New China. Wan Li, chairman of the National People's Congress Standing Committee, made a trip to Pakistan, Iran, and Iraq. Meanwhile, more than 20 heads of state and government leaders from Asia, Africa, and Latin America visited

China in succession. Through these mutual visits, Chinese leaders have exchanged views with leaders of the various countries on ways to promote bilateral relations and on major regional and international issues of common interest, thus increasing mutual understanding and enhancing relations with these countries. During these visits, China has signed bilateral cooperation agreements with a number of countries in the fields of economy, trade, science, technology, culture, and education, with a view to expediting bilateral cooperation.

China always has supported the just demands and reasonable propositions of Third World countries. Working side by side with them, China has made efforts to change the unfair world economic order and to actively promote North-South dialogue and South-South cooperation. This stand by the Chinese Government has won praise and support from many Third World countries.

Adhering to its policy of reform and opening to the outside world, China has seen political stability and economic growth at home, while its status and role on the international stage have become increasingly important. This has led more and more Western countries to realize the significance of improving relations with China and thus they have gradually begun to restore normal relations. In July this year, Japan became the first among Western countries to decide to resume loans to China. Meeting in Luxembourg on 22 October, the foreign ministers of the 12 member countries of the European Community decided to immediately lift political, economic, and cultural sanctions against China. The French Government announced on 25 October that it would resume talks with China on new loans. Meanwhile, the German federal parliament decided on 30 October to abolish restrictions on cooperation with China and to provide guarantees for projects undertaken by German enterprises in China. More recently, Minister of Foreign Affairs Qian Qichen made an official visit to the United States at the invitation of Secretary of State James Baker. The relations between China and the United States thus have improved as well. The first half of this year witnessed an increase in trade with the United Kingdom, France, and other countries. More and more people from Western countries have visited China, while cooperation projects have expanded, and investment in industries and commerce has become more and more brisk.

As one of the five permanent members of the UN Security Council, China has actively worked to solve international issues and regional hot-spot problems.

China has adhered to its principles on international issues such as the Gulf crisis and the Cambodian problem. Adopting a realistic attitude, it has taken into account the whole situation and all parties concerned. Its efforts to promote world peace and international justice have won the approval of the governments and media in many countries. That China's stand has been described as "very wise" is "unassailable."

The Chinese Government always has maintained that in international relations, all countries—large and small—are equal. They should have mutual respect for and interact with each other on an equal basis. Under the five principles of peaceful coexistence, China has so far established and developed diplomatic ties with 138 countries. It also has conducted economic, trade, scientific, technological, and cultural exchanges with more than 180 countries and regions, winning more and more friends and a good reputation in the international community.

PRC Abstains in UN Occupied Territories Vote

OW0912080490 Beijing XINHUA in English
0654 GMT 9 Dec 90

[Text] United Nations, December 8 (XINHUA)—The U.N. Security Council tonight decided, by a vote of nine in favor, four against and two abstentions, to postpone a voting on a draft resolution on the situation of the occupied territories.

The postponement of the voting until next Monday was moved by the Soviet representative and it is widely believed here that the Soviet proposal is made in favor of the United States.

The draft resolution, proposed by Cuba, Yemen, Colombia and Malaysia, calls for the convening of an international peace conference on the Middle East in an effort to facilitate the achievement of a comprehensive settlement and lasting peace in the region.

The draft resolution also urges the Israeli Government to accept the applicability of the Fourth Geneva Convention, which calls for protection of civilians in war time, to all territories occupied by Israel, including Jerusalem.

As the Israel's only staunch ally in the Council, the United States has pressed for changes in the draft and tried to delay any action to be taken on the draft which Israel opposes since the draft was first submitted to the Council on November 8, 1990. The U.S. has submitted a counter draft resolution in which, the U.S. has avoided the mentioning of Jerusalem as part of the occupied Arab lands and has deleted the paragraph calling for the convening of an international peace conference.

Even after hours of intensive consultations, the Council failed to reach any agreement on the Cuba-proposed draft and the U.S. amendment.

China and France abstained from voting. Cuba, Yemen, Colombia and Malaysia voted against.

Editorial on Chances for Peaceful Gulf Settlement

HK1012064590 Hong Kong WEN WEI PO in Chinese
10 Dec 90 p 1

[Editorial: "Hostility Might Possibly Be Turned Into Friendship"]

[Text] In the last few days, the Persian Gulf crisis seemed to be changing. Moreover, the changing factors appeared simultaneously in various countries. There have been changes in the attitudes of Iraq, the United States, Britain, Kuwait, and the Arab nations favoring war.

These changes reflect that settling the Persian Gulf crisis through peaceful means best serves the interests of the countries concerned in the Middle East and will relatively easily untie the fast knot and minimize its consequences. The UN Security Council has adopted 12 resolutions, each by an overwhelming majority, and a situation thus has emerged in which Saddam Husayn is isolated by the whole world community, and the might of an embargo and blockade is working more and more obviously. If Saddam drags things on, various countries will impose more sanctions against him and Iraq will suffer losses worth tens of millions of U.S. dollars in oil; its economy will collapse, since no materials needed for agricultural and industrial production can be shipped in; and internal disorder is bound to occur. Under these conditions, it will be very difficult for him to keep his presidential throne secure, much less manage to swallow Kuwait. Saddam has become uncompromising because he is unable to save the situation. If he gets a ladder to step down, naturally he will seek a solution conducive to preserving his power and throne as soon as possible.

So long as the United States and Kuwait are willing to hold out an olive branch of peace, naturally Saddam will readily take a hint therefrom. After the Security Council adopted the resolution authorizing the use of force, U.S. President George Bush unexpectedly suggested steps for talks with Iraq. To express its sincerity concerning not going to war with the U.S. armed forces, Iraq immediately grasped the opportunity, and its National Assembly promptly sent up the balloon of releasing all foreign hostages, who are mainly American and British. Originally Iraq was prepared to pit the "hostage shield" against the U.S. "Operation Desert Shield." If a war breaks out, these hostages would make the United States hold back from taking action against Iraq for fear of involving them, and the U.S. missiles and more than 1,000 aircraft would be unable to display their powerful attack strength. Now that Iraq is willing to put down the "hostage shield," naturally this means it is not ready to resort to force.

What has made Saddam drop the trump card in his hand? It seems that there are a lot of secret consultations, lobbying efforts, and tacit agreements behind his move. Generally speaking, the United States indicated that so long as Iraq withdraws its troops, no large-scale attack will be launched against it. Moreover, members of the Kuwaiti royal family also have to consider that if the United States launches an attack, the explosives set in the oil wells will certainly go off and their money trees will come to naught. Considering the situation from the long-term point of view, they will go to Iraq and persuade it that it would be best for it to "turn swords into plowshares." Plowshares here means leasing two islands to Iraq for 99 years and letting Iraq control the border oil

fields temporarily. In this way, in the days to come, Kuwait still will have large quantities of oil to export and endless sources of petrodollars to spend.

That the British press managed to be the first to carry the abovementioned news is a reflection of the traditional relations between Britain and the Kuwaiti royal family. In fact, once an attack was launched, the British armed forces would fight in the vanguard as a ground attack force. So the U.S. allies have kept urging Britain to throw in more troops. As the British economy is in considerably straitened circumstances, if by any chance the flames of the Middle East war drag on and huge military spending is needed to support the war, how can the Conservative Party win the coming elections? Of course, the British press took delight in reporting that the Kuwaiti royal family took the initiative in breaking the deadlock while word was circulating about favoring the use of force. Moreover, they offered no critical comments on the news.

U.S. President Bush has continually said that he will make no concessions to the invader. Now that Kuwait and Saudi Arabia have taken the lead in making exploratory contacts with Iraq, there will be no question of a U.S. concession and thus Bush can stay aloof from the affair.

Various Arab nations forced the creation of a situation in which members of the United Nations joined hands in applying sanctions against the invader in the Middle East and proceeded to put on the table a proposition aimed at solving the Palestinian issue, which was adopted by the United Nations as a resolution by a 144-to-2 vote, with the United States and Israel casting votes against it. This is a good beginning. If the Persian Gulf issue can be settled as quickly as possible, then the next move will be for Israel to pull out its troops. Through the battle to apply sanctions against Iraq, in the days ahead, the United States will be unable to shield the other invader morally.

All countries in the world are pleased that the Persian Gulf situation is becoming relaxed because if a war breaks out, share and real estate prices will plunge drastically; oil prices will soar; inflation will stay high; and unemployment will increase. This will benefit no one. This being the case, people are happy to see that the United States and Iraq will hold earnest peace talks and come out with an Iraqi troop withdrawal proposition.

Baker, Shevardnadze To Discuss Gulf, Relations

OW1012081290 Beijing XINHUA in English
0706 GMT 10 Dec 90

[Text] Washington, December 9 (XINHUA)—U.S. Secretary of State James Baker and Soviet Foreign Minister Eduard Shevardnadze arrived in Houston this afternoon for talks on Gulf crisis, bilateral relations as well as a proposed treaty on strategic arms reduction.

According to reports reaching here, Baker, in an arrival statement at the Ellington Airport, said that he has no doubt that the two-day talks beginning tomorrow "will be productive" and "will continue to tackle some difficult issues in a constructive spirit."

In a brief statement, Shevardnadze said that "it seems we have a lot of work ahead of us".

The two officials are expected to work out the final details of a treaty that proposes cutting U.S. and Soviet long-range nuclear bombers, missiles and submarines by about 30 percent.

Although the treaty is nearly finished and will be signed by U.S. President George Bush and Soviet President Mikhail Gorbachev at their next meeting, some issues mostly related to verification procedures remain unsettled.

The summit between Bush and Gorbachev, which was originally planned for next month, may be rescheduled at the Houston meeting to fit into the timetable of possible talks between U.S. and Iraqi leaders.

The two foreign ministers will also talk about the Gulf crisis and bilateral relations, such as U.S. waiving of trade restrictions. U.S. press reported recently that President Bush is considering a shift in U.S. policy that would open the way to providing credits to the Soviet Union for the purchase of American grain and an expansion of Soviet-American trade.

Shevardnadze will meet President Bush on Wednesday in Washington.

Beijing Symposium Views Future of Europe

HK1012035990 Beijing RENMIN RIBAO in Chinese
30 Nov 90 p 7

[Report by Zhang Min (1728 2404): "An Academic Symposium on Europe's Situation Held in Beijing"]

[Text] In mid-November, the Western Europe Institute of China and the editorial department of XI OU YANJIU [WESTERN EUROPE STUDIES] jointly invited more than 50 experts and scholars from research organs, colleges and universities, news publication units, and government departments from Beijing and other places to an academic symposium on various issues, such as the development of the EC, unified Germany, the European pattern, and regional groupings.

The symposium first discussed economic problems relating to the EC. Will the new factors in the international situation, especially the unification of Germany, affect the development of the EC? Most participants felt optimistic about the EC in the next three to five years, and they thought that it is possible for the big unified market to be set up at the end of 1992. As for how the EC will develop over a longer period of time, some people held that the EC will continue to develop at least in the

next 10-20 years, and the process of European integration will continue. The founding of the big unified market and economic and monetary union will promote the founding of a political alliance. More and more countries will apply for membership in the EC, and some regional group organizations modeled on the EC will be set up. The EC will develop into the nucleus of the multistratified European economic zone. Another view was that it is difficult to predict how the EC will develop in the next 10-20 years, and its development will even slow down after three-five years. Germany's increasing strength will upset the balanced structure of the EC. The Gulf crisis, South-North contradictions, and the internal contradictions of the West will have an impact on the EC.

Here is a relatively unanimous view on the European pattern: The old European pattern has been shattered, and the new one is being formed now. The pattern is gradually changing. Some people said that as far as Europe is concerned, relations among Europe (the EC), the United States, and the Soviet Union, and those among Germany, Britain, and France are the main factors determining Europe's new pattern. Unified Germany will play an important role in the triangular relations among Germany, Britain, and France, and will be very important in shaping the future Europe. Some said that Europe's future pattern will be like a structure "with one roof and three pillars." The roof is the CSCE, and the three pillars are NATO, the EC, and the Soviet Union. Others said: The security structure of the future Europe will be the Helsinki system, namely the CSCE. Its economic structure will be the Brussels system, namely the three-link economic circle with the EC as the main body. In addition, there will be the European-American collective security system in a version of neo-Atlanticism. The three systems will function together.

Regarding the development trend of unified Germany, many comrades maintained that unified Germany is still limited by a series of international treaties. In the near future, Germany will rely on the EC to maintain and develop relations in a low-profile manner with all countries, especially neighboring countries. Internally, it will expedite reform of the eastern part, and coordinate and narrow the difference between the western and eastern parts as soon as possible in an attempt to realize its long-term strategic goals. Some comrades said: We should strengthen research on Germany's long-term development trend.

Many participants also held that the crumbling of the Yalta structure and the weakening of U.S.-Soviet confrontation promote the shift from a bipolarized world pattern to a multipolarized one. They held that Europe will become a pole, with an independent political and economic status. Some comrades said that in the future, international disputes will be reflected mainly in the scramble for economic interests. And under this new pattern Europe will be in a relatively favorable position, and Europe's challenges will be significant to the world. Other comrades held that we should not overestimate

Europe's development, as many restricting factors still exist, and that in the near future, particularly, its status will not improve remarkably.

All participants held the view that regional grouping and integration is a great trend, and that this will have an important influence on the world's economic development and will involve most countries. For all countries, this kind of development may be an opportunity or a challenge.

XINHUA 'Yearender': Uncertain Future for Europe

OW0812112290 Beijing XINHUA in English
0913 GMT 8 Dec 90

["Year-End: Europe Faces Unpredictable Future (by Shi Lujia)"]—XINHUA headline]

[Text] Beijing, December 8 (XINHUA)—The year of 1990 witnessed a remarkable change in Europe, which has entered a new stage of its history.

The situation in Europe in the year was featured by the on-going dramatic change in Eastern Europe and the Soviet Union, the reunification of Germany on October 3, the signing of a conventional arms reduction treaty by the two big opposite military blocs, NATO and Warsaw Pact, and their declaration of non-aggression.

The special summit of the Conference on Security and Cooperation in Europe (CSCE) held in Paris on November 19-21 marked an end to the "cold war" and the virtual disintegration of Yalta system, a synonym of division of Europe.

Now, Europe has embarked on a new era. But what is it like?

On the one hand, the United States and the Soviet Union, the two superpowers which had long been dominating the affairs of Europe in the post-war period, have been losing strength and influence. With considerable concessions on the part of the Soviet Union, they have come to seek compromises and cooperation.

Following the signing of the intermediate nuclear forces treaty between the two superpowers in 1987, the two military blocs decided to cut their conventional armed forces, thus reducing the arms in Europe and minimizing the risk of direct military confrontation in the continent.

Meanwhile, political and economic relations were promoted between the Soviet Union and the United States, between the Soviet Union and Western Europe, and between Eastern and Western Europe.

On the other hand, the old fundamental conflicts haunting Europe since World War II are still not settled. Despite the disintegration of Yalta system, the two superpowers are unwilling to step down from the stage of Europe. The Soviet Union has made it clear that it would continue to have a hand in European affairs, while the United States is not only maintaining heavy military

forces in the continent, but also striving to preserve its special status already achieved in Europe.

Their policies naturally collide with that of the European nations who desire for the establishment of a "Europe of Europeans."

Furthermore, the dispute over Europe's future security structure is also glaring. The Soviet Union sticks to its vision of a "European house" on the basis of CSCE. The U.S. preaches the pillar role of NATO in building what it cherishes as "a Europe whole and free." The West European nations, however, envision instead "a European confederation" centering around the European Community (EC).

The conflicts between all sides, imbued with different interests and strategies of their own, are fated, hard to reconcile to each other, even at the latest CSCE in Paris.

Besides, Europe still possesses the biggest arsenal in the world even after the implementation of the widely-praised CFE treaty.

As warned by leaders of medium-sized and small nations attending the CSCE, Europe is equipped with the conventional and nuclear forces far in excess of the need for defense.

But, new problems have cropped up in the change in Europe over the past year.

First, the unified Germany brought about a sense of uncertainty for the rest of Europeans who clearly remember what it did in World War II and keep alerted to its future development.

This kind of cautious mood was reflected at the Paris CSCE summit when most world leaders appeared tongue-tied commenting on the German reunification, which perhaps needs a long time to judge whether it is ominous or a blessing.

Second, the Soviet Union, a European giant, is being caught in a mire of faltered economy and increasing ethnic skirmishes, which contribute to the worsening of its political situation.

Any change of its home and foreign policies, therefore, will affect not only its own fate, but the destiny of the whole Europe.

Third, the economic problems in Eastern Europe have loomed appalling following a drastic political change. A turbulence of political state has also been observed.

Some East European leaders at the CSCE summit warned of the danger of a new "wall" dividing Europe into the rich and the poor.

"A pall of years-long conflicts may be cast over our common road," they said.

The swelling nationalism, fueled by deadly ethnic conflicts and the problem of immigration, is posing a mortal threat to social stability and national integrity of European countries.

Ironically, the Western countries, which have long advocated immigration freedom, are now eager to kick away the "hot potato."

Europe has at last bid farewell to its past, but the process of change has not ended. A new balance of power has not been born to replace the old broken one; a new political map is yet to be drawn following the breakdown of the old spheres of influence; new security structure still is not taking shape while the mutual-containing mechanism which hinged upon the two military blocs has decayed.

In short, the two superpowers, Western Europe and various foes within Europe are intensifying their trials of strength amid a web of conflicts, old and new, and instability.

True is this point of view held by some Western diplomatic commentators: the future of Europe is as much a nightmare as a rosy dream.

USSR, Finland To Cooperate in Gold Industry

HK0312031490 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 3 Dec 90 p 1

[By staff reporter]

[Text] China has strengthened co-operation with the Soviet Union and Finland in the gold mining industry, and the head of the State Gold Administration visited the two countries in September.

Xu Daqun, the administration's director, led a seven-member delegation from September 10-28, in hopes that co-operation with the two countries would help boost production of the precious metal in China.

During his 10-day visit to the Soviet Union, Xu talked with Soviet gold producers, and sought their co-operation and advice on improving local technology for mining in the alluvial permafrost, said an official with the administration.

With Soviet technology, Chinese miners will be able to better tap the gold resources under the frozen soil.

Xu said Soviet management and experience will provide a good reference point for the industry during the Eighth Five-Year Plan (1991-95).

China's gold industry is planning to grow at an average of 10 percent a year during the up-coming plan.

The total gold output during that time is expected to increase by 60 percent over that in the period 1986-90.

Shortly after Xu's visit, the two countries in October held an exhibition in Harbin, capital of Heilongjiang Province, displaying Soviet gold mining technology and equipment.

The Soviet Union sent some gold experts to hold technical exchanges with their Chinese counterparts in Harbin.

China and the Soviet Union did not have any contacts concerning each other's gold industry until two years ago.

During Xu's seven-day visit to Finland, the Chinese delegation viewed some gold mining equipment which China is ready to buy.

Finnish enterprises said they were willing to design equipment specifically for use in Chinese mines since the China market is so large.

Since 1978, China has imported more than 500 sets of advanced equipment for its gold industry.

These foreign machines have made great contributions to the rapidly increasing gold output in recent years.

IOC President Urges PRC To Host 2000 Olympics

*OW0812082990 Beijing XINHUA in English
0719 GMT 8 Dec 90*

[Text] Lausanne, December 7 (XINHUA)—Juan Antonio Samaranch, president of the International Olympic Committee (IOC), said it would be "very beneficial" to Olympic movement if the Olympic games in the year of 2000 could be held in China.

In an interview with XINHUA, Samaranch said four cities including Beijing are sure to put up their bidding for the 2000 Olympic games though up till now not a single city has formally submitted its application.

He said he had no doubt in China's organising ability and its love and respects to the Olympic movement.

The IOC president said China has got excellent experience in hosting the Asian games and the results turned to be very inspiring.

Samaranch pointed out the Olympic games were far more larger in scale than the Asian games and needs more accurate organising works and better sports facilities, but China has the advantage in bidding since it enjoys the all-out support of one billion Chinese people.

Samaranch said Berlin, Sydney, Milan and Beijing were the four sure candidates for the 2000 Olympic games and London and Rio de Janeiro also had the possibilities of bidding.

IOC will decide the venue of the 2000 Olympic games in Monte Carlo of Monaco in September 1993.

United States & Canada

Bush Proposes Talks With Iraq on Gulf Crisis

*HK0812042790 Beijing RENMIN RIBAO in Chinese
2 Dec 90 p 6*

[Report by staff reporter Zhang Qixin (1728 0796 2500): "President Bush Says the United States Is Willing To Discuss the Gulf Crisis With Iraq"]

[Text] Washington, 30 Nov (RENMIN RIBAO)—Today, U.S. President Bush indicated at a White House news conference he was willing to discuss the Gulf crisis with Iraq.

He said that in order to make further efforts for peace, he will invite Iraqi Foreign Minister 'Aziz to visit Washington in mid-December at both sides' convenience, and he will meet with him. At the same time, he will send Secretary of State Baker to Baghdad at both sides' convenience between 15 December and 15 January next year in order to meet with the Iraqi president.

Bush said he and Baker are willing to discuss various aspects of the Gulf crisis with Iraq within the scope of various UN Security Council resolutions, but he reiterated that such efforts to seek political and diplomatic solutions must at least lead to Iraq's complete withdrawal from Kuwait, the restoration of the legal government in Kuwait, and the freedom of all hostages.

Bush made this indication after the UN Security Council yesterday adopted a resolution that, in essence, permits the use of force, and when there was increasing demand for the peaceful settlement of the Gulf crisis at home and abroad. Before that, the U.S. Government continued to reject Iraq's demand for direct dialogue between Iraq and the United States.

At today's news conference, Bush also explained his Gulf policy, in reply to some questions raised by people at home.

Commentary Examines Bush Latin America Tour

*OW0912203290 Beijing XINHUA Domestic Service
in Chinese 0527 GMT 9 Dec 90*

[Reporter Shen Jiasong's (3088 1367 2646) commentary: "President Bush's Latin America Tour"]

[Text] Mexico City, 8 Dec (XINHUA)—U.S. President Bush visited the South American countries of Brazil, Uruguay, Argentina, Chile, and Venezuela, one after another, 3-8 December. He visited Mexico 26-27 November. This was Bush's first official visit to Latin America since he was elected president. Rarely in the history of U.S.-Latin American relations has a U.S. President visited so many Latin American countries in such a short time.

Latin America's "Rio Group," composed primarily of the countries Bush visited, is becoming increasingly

active in solving international and local issues. At a time when the world structure is changing drastically, Latin America's rich resources, vast market, and tremendous potential for development are the focus of world attention. Although busy with the Gulf crisis, Bush still managed to find time to visit Latin America. This is precisely because the United States has felt deeply Latin America's weight on the international stage and thus attaches great importance to developing relations.

During the visit, Bush extensively exchanged ideas with leaders of all countries on bilateral relations and international issues of common interest. Confronting the Gulf crisis, the Bush administration finds itself in a dilemma and through this visit wants to win the support of Latin American countries, particularly that of Mexico and Venezuela, the region's two major oil exporters, in terms of supplying the United States with crude oil. However, the principal purpose of his visit, from a long-range global strategic perspective, was to carry out his "Enterprise for the Americas Initiative," a proposal he made last June.

In his "Initiative" Bush proposed: It is necessary to build a unified "free-trade zone" of the Americas through intensive bilateral talks. In his speech during his tour, he stressed that U.S. relations with Latin America have entered a "new era." He called on Latin American countries to work with the United States to transform the whole American Continent, stretching from Alaska to Tierra del Fuego, into the "largest free-trade community among the world's sovereign countries." Bush also predicted: The realization of "the Americas Initiative" will strengthen the Americas' position to compete with a unified Europe and a flourishing Asia in the economic sphere and thus usher in a "new dawn" on the American Continent.

Bush's proposal was welcomed by all the countries he visited on the trip because the establishment of a "free trade zone" with the United States is a proper choice for Latin American countries in the process toward the internationalization, regionalization, and collectivization of the world economy, taking into consideration the factors of politics, geography, and traditional ties. The welcome of these countries, however, was cautious and moderate because the possibility of a true materialization of the proposal hinges on whether it is based on sovereignty and mutual benefit. In the meantime, the Latin American countries put forth in the talks some problems that need to be solved urgently. They asked the Bush administration for support regarding the repayment of enormous debts, the solution of the issue of U.S. trade protectionism, and the transfer of high technology. Bush made verbal promises for some of these, while sidestepping others.

During his tour, Bush was received in the various countries with grand, official ceremonies. However, it will be difficult to mend the rift in the feelings of the Latin American people toward the United States caused by its long-time pursuit of power politics. This explains

the mass demonstrations and relatively large-scale violence that occurred in quite a few countries Bush visited. American flags and effigies of the President were burned as a public sign of protest. It seems that if the United States wants to change its image in Latin America, it has to take more concrete and sincere actions.

Soviet Union

Moscow Cites PRC Spokesman on Border Talks

OW0812053690 Moscow International Service
in Mandarin 1000 GMT 7 Dec 90

[Text] Li Zhaoxing, spokesman for the Chinese Foreign Ministry, said in Beijing that progress has been made in the talks between the Soviet Union and China on reducing each other's armed forces along border areas and on enhancing mutual confidence in military affairs. The second round of talks was held in the Chinese capital on 30 November.

When Li Peng, premier of the State Council, visited the Soviet Union in the spring of this year, an agreement was signed on guiding principles for mutually reducing armed forces in border areas. In the current round of talks, the two sides formally discussed concrete issues concerning implementation of the agreement. The first round of talks was held in Moscow in September this year.

PRC-USSR Trade Talks Scheduled for June 1991

SK0712065090 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 6 Dec 90

[Text] With the approval of the State Council, the 1991 China economic and trade symposium with the Soviet Union and the East European countries will be held in Harbin from 15 to 24 June next year, according to the information obtained by our reporter from the first preparatory meeting of the leading committee of this symposium, which ended on 6 December.

Shao Qihui, chairman of the leading committee of the symposium and governor of Heilongjiang Province, spoke at the preparatory meeting. He called on all pertinent departments to make the best use of their time, to be meticulous in organization, and to conscientiously implement various items of preparatory work. All localities and all fields in the province should take the overall situation into account, and should concentrate their energy on rendering good service to the symposium.

Du Xianzhong, vice chairman of the symposium's leading committee and vice governor of Heilongjiang Province, and Shi Guangsheng, director of the Import and Export Department under the Ministry of Foreign Economic Relations and Trade, presided over the first preparatory meeting. They said to the press that various items of preparatory work for next year's symposium have already begun in a comprehensive manner.

Attending this preparatory meeting were responsible persons of the Import and Export Department under the Ministry of Foreign Economic Relations and Trade; responsible persons of the ministry's special agencies stationed in Guangzhou, Tianjin, Shanghai, and Dalian; responsible persons of the China Chamber of Commerce for Importers and Exporters of Light Industrial Products and Arts and Crafts, the China Chamber of Commerce for Importers and Exporters of Textiles, and the China Chamber of Commerce for Importers and Exporters of Machinery; and leaders of Heilongjiang Province and Harbin City.

Zou Jiahua Meets Soviet Planning Delegation

*OW1012093590 Beijing XINHUA in English
0859 GMT 10 Dec 90*

[Text] Beijing, December 10 (XINHUA)—Zou Jiahua, state councilor and minister in charge of the State Planning Commission, met a delegation of the Soviet State Planning Committee led by its vice-chairman K.V. Malakhov at the Great Hall of the People here this afternoon.

The Soviet guests arrived in Beijing on December 4 for a nine-day visit at the invitation of the State Planning Commission.

During their stay in Beijing, the Soviet guests exchanged views on economic and technological development and bilateral cooperation with their Chinese counterpart.

Ni Zhifu Meets Soviet Trade Union Delegation

*OW0812120190 Beijing XINHUA in English
1122 GMT 8 Dec 90*

[Text] Beijing, December 8 (XINHUA)—Ni Zhifu, vice-chairman of the Standing Committee of the National People's Congress and chairman of the All-China Federation of Trade Unions, met a delegation from the General Confederation of Trade Unions of the Soviet Union led by its Chairman V.P. Shcherbakov, here this evening.

After the meeting Ni hosted a dinner for the Soviet visitors.

The Soviet delegation arrived here earlier today at the invitation of the All-China Federation of Trade Unions.

Tianjin Mayor Meets Soviet Science Delegation

*SK1012042390 Tianjin City Service in Mandarin
2300 GMT 7 Dec 90*

[Text] On the evening of 7 December, Mayor Nie Bichu cordially met with the Soviet Government science and technology delegation, led by Laverov, vice chairman of the USSR Council of Ministers and chairman of the State Committee for Science and Technology, at Yingbin Hotel. The Soviet Government's science and technology delegation made a special trip to our municipality, in the company of Li Xue, vice minister of the State Science

and Technology Commission, to observe and visit. On 7 December, the delegation visited the Tianjin Economic Development Zone and the Cultural Department, and toured the city. Amid a cordial and friendly atmosphere, Mayor Nie Bichu extended a warm welcome for the delegation's visit and introduced to the guests the tremendous changes in Tianjin since the 10 years of reform and opening up.

Delegation leader Laverov introduced to Mayor Nie Bichu the situation of the Soviet domestic reforms and expressed hope that mutual coordination between the two countries would be further strengthened.

Wang Chenghuai, member of the Standing Committee of the municipal party committee and director of the municipal Science and Technology Commission, was also present at the meeting.

Northeast Asia

Li Ruihuan Meets Japanese, Stresses Deng Reforms

*OW0812120590 Beijing XINHUA in English
1124 GMT 8 Dec 90*

[Text] Beijing, December 8 (XINHUA)—Chinese Communist Party (CPC) leader Li Ruihuan said here today that the policy of reform and opening initiated by veteran leader Deng Xiaoping a decade ago must be adhered to.

Work related to implementing this policy must continue to "move forward instead of going back", said Li, stressing that the policy must not be abandoned.

Li, a standing committee member of the CPC Central Committee Political Bureau, made the remarks during an hour-long meeting with a delegation from the Japanese Socialist Democratic Federation in the Great Hall of the People.

Li said that reform and opening to the outside is a desire shared by the entire Chinese people, an inevitable trend of the development of socialism, and accords with the Marxist theory.

The successes and the improvement of the people's life quality which the reform and open policy brought about in the past decade and more are there for all people in China and abroad to see, continued Li.

"Historical experience proves that the reform and opening is the only way to make the Chinese people well-to-do and the country strong," Li said.

Discussing Sino-Japanese relations, Li called for joint efforts from both sides to develop in-depth friendly relations, including the expansion of economic cooperation.

Such relations are not only beneficial to Chinese and Japanese people but also important to peace in Asia and the world, Li said.

Satsuki Eda, who is a member of the Japanese House of Representatives and the delegation leader, told Li that many Japanese are pleased to see that China has overcome a host of difficulties in the past year, and that the Chinese people are now full of confidence.

He added that the Japanese Socialist Democratic Federation will continue its efforts to further friendly ties between Japan and China.

The visitors arrived on Wednesday at the invitation of the China-Japan Friendship Association.

Huang Hua, Japan's Kaifu Discuss Relations

*OW1012000890 Beijing in Japanese to Japan
0930 GMT 8 Dec 90*

[Text] According to a Beijing Radio correspondent in Tokyo, Prime Minister Kaifu met on 7 December with a visiting Chinese delegation led by Huang Hua, Standing Committee member of the CPC Central Advisory Commission and chief advisor to the China Association for International Friendly Contacts. Touching on Japan-China relations, Prime Minister Kaifu said that Japan and China should not only strengthen their economic cooperation, but also promote the friendly exchange of visits in the cultural, academic and educational areas. Prime Minister Kaifu also expressed his hope that the two countries would continue to make efforts for the further development of their relations.

In response, Mr. Huang Hua stated: At present, the world's main trend is moving toward peace, and development and cooperation between China and Japan has become more important. Close cooperation between the two countries is a pillar for peace and stability in Asia.

On the same day, former Prime Ministers Takeo Fukuda, Yasuhiro Nakasone and Noboru Takeshita also met with Mr. Huang Hua and delegation members and invited them to parties.

Japan To Invite DPRK Party Delegation

*OW0812082790 Beijing XINHUA in English
0724 GMT 8 Dec 90*

[Text] Tokyo, December 8 (XINHUA)—Japan will invite a delegation of the Workers' Party of Korea to Tokyo next February for a visit and political talks, according to a KYODO NEWS SERVICE report today.

The ruling Liberal Democratic Party (LDP) and opposition Japan Socialist Party (JSP) have agreed to invite the delegation from Pyongyang for a week-long visit to Japan from February 12, KYODO said quoting JSP sources.

The visit was planned in November, but was put off because of the dispute between the LDP and JSP over a government-proposed U.N. peace cooperation bill.

At the end of a visit to Pyongyang by a LDP and JSP delegation in September, the Japanese parties and the

Workers' Party issued a declaration calling on both governments to hold talks for normalizing relations between the two countries.

DPRK's Yon Hyong-muk Discusses Visit, Reform

*SK0712060890 Beijing International Service
in Korean 1100 GMT 6 Dec 90*

[Text] Speaking in Pyongyang on 5 December, Comrade Yon Hyong-muk, premier of the Korean State Administration Council, said his recent visit to China was satisfactory and successful. He spoke at a banquet in his honor, hosted by Comrade Zheng Yi, Chinese ambassador to Korea, after returning from his visit to China. Premier Yon Hyong-muk said that China was the first country he had visited since he was appointed Korean premier. He said that he received a warm welcome and kind hospitality everywhere he went in China.

He said that various problems were resolved satisfactorily in the talks held between him and Premier Li Peng. He said that the success he attained in his visit shows that warm friendship exists between the people of Korea and China. He said that he personally witnessed the great successes that the Chinese people attained in socialist construction under the leadership of the CPC by implementing and executing the line of reform and openness. He said that the Korean people are very glad of it. He said that the Korean people sincerely wish China, Korea's great ally, great success in its socialist modernization construction.

DPRK Urges ROK To Accept Nonaggression Proposal

*OW0912155590 Beijing XINHUA in English
0922 GMT 9 Dec 90*

[Text] Pyongyang, December 9 (XINHUA)—The Korean daily "NODONG SINMUN" in an article today urged the South Korean side to accept at the earliest possible date the North side's proposal for a North-South mutual nonaggression declaration.

The North side prefers to have a mutual nonaggression declaration discussed and issued at the third round of the inter-Korean high-level talks scheduled to be held in Seoul on December 11-14, but South Korea calls for the adoption of measures for building mutual trust and the signing of a "basic agreement on the improvement of North-South relations" before approving a mutual nonaggression declaration. South Korea also says that it is too pressed for time to approve a nonaggression declaration.

The Pyongyang newspaper said that in the current circumstances a mutual nonaggression declaration can effectively guarantee each side's security, safeguard the nation's peace and create favorable conditions for improving North-South relations and reunifying the nation independently and peacefully.

The paper said it would be meaningless to pay only lip service to the improvement of North-South relations and the building of mutual trust without signing a mutual nonaggression declaration.

Southeast Asia & Pacific

Reportage on Li Peng's Visit to Malaysia

Departs; Confirms Dec Plenum

*OW1012021690 Beijing XINHUA in English
0150 GMT 10 Dec 90*

[Text] Beijing, December 10 (XINHUA)—Chinese Premier Li Peng said here today that his 10-day official good-will visit to the four Asian nations of Malaysia, the Philippines, Laos and Sri Lanka will contribute to enhancing friendship and cooperation with them.

He said the Seventh Plenary Session of the Central Committee of the Communist Party of China will be held in late December as scheduled.

The Chinese Premier made the statement at a press conference he gave at Beijing Airport before he left here for Kuala Lumpur by special plane at 09:30 today on an official goodwill visit to Malaysia.

This is the Chinese premier's first stop of his year-end official visits to the four Asian countries.

Among those seeing Li Peng off at the airport were Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party, Vice-Premiers Yao Yilin and Wu Xueqian, and diplomatic envoys of the four nations to China.

Arrives in Kuala Lumpur

*OW1012114790 Beijing XINHUA in English
1059 GMT 10 Dec 90*

[Text] Kuala Lumpur, December 10 (XINHUA)—Chinese Premier Li Peng arrived and was officially welcomed at a ceremony here this afternoon.

Malaysian Prime Minister, Datuk Sri Dr. Mahathir Mohamed, presided over the ceremony in front of the Parliament House to welcome Li Peng, who is here for a four-day official goodwill visit.

As the motorcade reached the parliament square at 16:40 (local time), Mahathir, who had been waiting here along with his cabinet members, stepped forward to shake hands and exchange greetings with Li and his wife, Madam Zhu Lin.

This is the first meeting between Chinese and Malaysian leaders since Mahathir visited China in November, 1985.

Mahathir and Li then stepped onto a stand surrounded with flowers to review a guard of honor of Malaysia's Armed Forces after playing the Chinese and Malaysian national anthems.

After that, Mahathir introduced to Li his cabinet members and heads of the diplomatic missions lining aside. In his turn, Li presented the principle members of his entourage, including Foreign Minister Qian Qichen, Minister in Charge of the State Commission for Restructuring Economy Chen Jinhua, Vice-Minister of Foreign Economic Relations and Trade Li Lanqing, and Vice-Minister of Public Security Tao Siju.

Upon arrival at the airport earlier this afternoon, Li Peng said in a written statement that with the visit, he expected to further enhance the mutual understanding and trust between the two countries and broaden bilateral cooperation in the economic, trade, scientific-technological, cultural and other fields.

The Chinese premier's visit coincides with the "Visit Malaysia Year 1990," when local residents are celebrating the 100th anniversary of the founding of the country's capital, Kuala Lumpur. Li's coming apparently adds to the festive atmosphere here, as national flags of China and Malaysia flutter in the tropical breeze along the over-20-kilometer-long highway from the Kuala Lumpur international airport throughout the main streets in the city proper. Also, leading national newspapers put out boldfaced, color headlines, hailing Li's visit as of "great significance," which will propel bilateral relations to "a new high."

Thai Prime Minister Chatchai Chunhawan Resigns

*OW0812181090 Beijing XINHUA in English
1608 GMT 8 Dec 90*

[Text] Bangkok, December 8 (XINHUA)—Thai Prime Minister Chatchai Chunhawan resigned from his post today, according to an announcement of the state-run television station tonight.

Chatchai had an audience with King Phumiphon Adunyadet late this afternoon when he submitted his resignation.

The announcement of the prime minister's office broadcast by the TV station said some problems have occurred in the country which Chatchai's government have tried many times to solve, but all efforts are in vain.

"If we let these problems continue, they must affect the democratic system, our international prestige and the economy of Thailand," it said.

In order to safeguard the interests of the country and people, it added, Chatchai has decided to resign from the post of prime minister.

Chatchai took up the post of the 17th prime minister of Thailand in August 1988. He had to reshuffle the cabinet twice successively this year, once in August and once in November.

According to the Constitution, after the resignation of prime minister, various parties will submit separately the nomination of a new prime minister to the chairman of parliament (president of the National Assembly), who will then submit to the king the nomination of a candidate based on the highest number of supporters who receives from the MPs.

It was reported that Chatchai is considered to be likely to receive the re-nomination and form the government again.

Air Force Commander Toasts Burmese Counterpart

*OW0712145990 Beijing XINHUA in English
1329 GMT 7 Dec 90*

[Text] Beijing, December 7 (XINHUA)—General Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, gave a dinner for Lieutenant General Tin Tun, commander-in-chief of the Myanmar [Burma] Air Force, and his party here this evening.

In his toast, Wang noted that the increasing exchanges between the Chinese and Myanmar armed forces over the past few years have promoted the development of their friendly relations.

This morning, Wang briefed the visitors on China's Air Force after presiding over a welcoming ceremony in honor of Tin Tun.

Tin Tun and his party arrived here yesterday afternoon.

Qin Jiwei Meets Tin Tun

*OW0812115090 Beijing XINHUA in English
1108 GMT 8 Dec 90*

[Text] Beijing, December 8 (XINHUA)—Chinese State Councillor and Minister of Defense Qin Jiwei met with a Myanmar [Burma] goodwill delegation led by Lieutenant General Tin Tun, commander-in-chief of the Myanmar Air Force, here this afternoon.

The delegation is scheduled to visit other parts of the country tomorrow.

Political Settlement of Cambodia Issue Urged

HK0712112290 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 7 Dec 90 p 1

["Phnom Penh Should Proceed From the Overall Situation and Achieve Political Settlement of the Cambodian Question at an Early Date"]

[Text] Beijing, 6 Dec (XINHUA)—At a news briefing held this afternoon, Foreign Ministry spokesman Li Zhaoxing said: "We once again urge the Phnom Penh

side to proceed from the Cambodian people's fundamental interests and take a practical attitude, rather than creating difficulties and making it impossible to achieve a comprehensive, just, and reasonable settlement of the Cambodian question at an early date."

A reporter asked: The Phnom Penh side demands to maintain the current political and military situations in Phnom Penh and rejects the main contents contained in the UN peace program on Cambodia. Do you have any comment on this?

The spokesman said: The recent Paris working meeting on Cambodia adopted a draft agreement on a comprehensive political settlement of the Cambodian question. This represented an important step forward in the process leading to a political settlement of the question. But regrettably, Hun Sen made a series of speeches of late, indicating that he would not subscribe to the results of the meeting and rejected the major contents contained in the draft agreement regarding the power bodies and military arrangements during the transitional period in Cambodia as envisaged by the United Nations. This is, in fact, an attempt to negate the key elements of the framework documents adopted by the five permanent Security Council members.

Li Zhaoxing said: The Phnom Penh authorities have reneged on the commitment they made in Jakarta and regressed from the joint statement's position. How can they, going back on their word, win the international community's trust?

Rejection of Accord Criticized

*OW0712121290 Beijing XINHUA in English
1202 GMT 7 Dec 90*

[Text] Bangkok, December 7 (XINHUA)—A leading Cambodian resistance leader today criticized the Phnom Penh regime for rejecting the Paris Draft Agreement on Cambodia.

The draft agreement was adopted by the co-chairmen of the Paris International Conference on Cambodia (PICC) and five permanent members of the U.N. Security Council (Perm Five) in Paris last month.

In a communique issued here, Norodom Ranariddh, personal representative of Samdech Norodom Sihanouk in Cambodia and Asia, said the Paris Draft Agreement on Cambodia was developed directly from the Perm Five framework document that the four Cambodian parties accepted in its entirety in their Jakarta Joint Statement of September 10 this year.

Unfortunately, the Phnom Penh regime, through its radio broadcast, has just indicated that it no longer accepts the Perm Five framework document in its entirety, the communique said.

In addition to its refusal of the Perm Five document, the Phnom Penh regime has also denied an invitation put forward by Sihanouk on November 25 to the leaders of

the four Cambodian parties to meet him in Paris to find ways and means to effectively contribute to the settlement process, it said.

Radio Phnom Penh broadcast on December 3 that the Phnom Penh regime rejected key points of the U.N. plan on Cambodia, demanding the political and military status quo be maintained, the present state authorities not be dissolved and troops not be disarmed and assembled.

The National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia headed by Siha-nouk "deeply deplores those uncompromising attitudes of the Phnom Penh regime," the communique said.

"We, therefore, call on the co-chairmen of the PICC and the Perm Five to continue their peace efforts and in particular, to keep putting effective pressure on the Hun Sen regime to make it come to terms with the agreements reached on November 25 in Paris," it said.

Australian Senate Motion on Tibet Denounced

*OW0812135690 Beijing Domestic Service
in Mandarin 1030 GMT 8 Dec 90*

[From the "National Hookup" program]

[Text] The Chinese Embassy in Australia issued a statement on 7 December expressing indignation over a motion passed by the Australian Federal Senate on the Tibetan issue. The statement reads: Tibet is an inalienable part of Chinese territory. This fact is acknowledged by various governments of the world, including that of Australia. However, some people in the world disregard history and Tibet's realities, and make absurd remarks. This is regrettable.

The statement categorically rejects the groundless assertions and the three demands contained in the Australian Senate's motion toward the Chinese Government. The statement describes the motion as flagrant interference in China's internal affairs. It says: In light of the friendly relations between the Chinese and Australian peoples and the parliaments of the two countries, the Chinese Embassy hopes that the Australian Senate will not take any further actions to hurt the feelings of the Chinese people.

Near East & South Asia

Wan Li Meets Gulf Envoys; Reaffirms Position

*OW1012100390 Beijing XINHUA in English
0930 GMT 10 Dec 90*

[Text] Beijing, December 10 (XINHUA)—Chairman Wan Li of the National People's Congress Standing Committee conversed for 90 minutes here today with diplomatic envoys of six Gulf states to China on the Gulf crisis.

Wan Li told them, "China has resolutely opposed the invasion and occupation of Kuwait by Iraq and stood for the restoration of Kuwait's independence and sovereignty."

Meanwhile, he reaffirmed China's position of resolving the Gulf crisis by peaceful means. "So long as there is a gleam of hope for peace, China will not stop working for it," he said.

Wan explained that China always stands for handling country-to-country relations on the basis of the five principles of peaceful coexistence.

He told the envoys that China, which has always been concerned with peace and development in the Gulf region, treasures its friendly ties with the countries there and wants to see an all-round development of the relations.

The envoys from the six member countries of the Gulf Cooperation Council thanked Wan Li for meeting them. They explained their respective positions on the Gulf crisis.

Present at the meeting were Ambassador Mushtaq Ibn 'Abdullah Ibn Ja'far al-Salih of the Sultanate of Oman, Ahmed al-Hosani [name as received], charge d'affaires ad interim of the United Arab Emirates Embassy, Ambassador 'Abd-al-Hamid al-Baejan of Kuwait, Ambassador Husayn Rashid al-Sabbagh of Bahrain, Ambassador Muhammad sa'd al-Fuhayd of Qatar, and Ahmad M. al-Ajlan [name as received], counsellor of the Saudi Arabian Embassy in Beijing.

Tian Jiyun Meets Saudi Economic Delegation

*OW0812113690 Beijing XINHUA in English
1039 GMT 8 Dec 90*

[Text] Beijing, December 8 (XINHUA)—Chinese Vice-Premier Tian Jiyun met here this afternoon with Faysal A. Al Sa'ud, chairman of the Board of Directors of the Tetra International Co. of Saudi Arabia.

They had a friendly conversation on broadening the economic and trade cooperation between the two countries.

Faysal came to China for visits at the invitation of the China Council for the Promotion of International Trade.

XINHUA 'Roundup' Views Palestinian Uprising

*OW0912050790 Beijing XINHUA in English
0133 GMT 9 Dec 90*

["Roundup: Palestinian Intifadah Enters Fourth Year (by Fu Weijian)"]—XINHUA headline]

[Text] Amman, December 9 (XINHUA)—The Palestinian people's uprising, or intifadah, against the Israeli occupation of their homeland has now entered its fourth year.

Since last August, the Gulf crisis has diverted the world's attention and cut off almost all foreign economic aid to the Palestinians, taking the issue out of the headlines.

To get it back, and put further pressure on the Israeli authorities, the Palestinians have stepped up their actions.

This year has seen a further escalation with the growing use of firearms. While staging demonstrations and general strikes, the Palestinians have also kept up a continuous series of small-scale armed attacks against the Israelis.

Some radical resistance organizations have attacked Israeli patrols and hit army posts with home-made bombs.

The attacks have escalated since October 8 when Israeli police killed at least 21 Palestinians during a disturbance at Jerusalem's Temple Mount. This aroused intense fury among the Palestinians who have attacked Israeli police and soldiers with all means available in the streets.

In response, the Israelis have imposed curfews, closed schools and sealed the borders from the occupied territories to Israel in an attempt to contain the uprising.

The Israeli Government has also authorized its forces to use their weapons against "suspects", and that has resulted in large numbers of casualties. More than 150 Palestinians were wounded during a conflict in a refugee camp in the Gaza Strip last month. According to some statistics, the Israeli forces have killed about 800 Palestinians and wounded and imprisoned tens of thousands of others over the past three years.

The uprising in the occupied territories has so far supported the PLO's political and diplomatic actions in the international community. The bloodshed at the Temple Mount, to some extent, has brought the Palestinian issue back into the world's agenda.

The PLO, headed by Yasir 'Arafat, has urged the United States and Israel to implement the United Nations resolutions and condemned them for adopting double standards on the Gulf crisis and the Palestinian issue.

Recently, leaders of some world nations suggested that once the Gulf crisis is resolved, the international community should start to resolve the Palestinian issue, the key to realizing peace in the Middle East.

In fact, the off and on peace process in the Middle East has spurred the growth of the radical factions in the Palestinian resistance organizations.

The uprising headquarters has for the first time called on the Palestinian people to use every means including firearms in their fight. International community has now gradually come to recognize that without a fair and reasonable solution of the Palestinian issue, a real and lasting peace in the Middle East will not be possible.

Sub-Saharan Africa

Qiao Shi Meets Tanzanian Delegation

OW0712133690 Beijing XINHUA in English
1253 GMT 7 Dec 90

[Text] Beijing, December 7 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), met a delegation of the Tanzanian Revolutionary Party (CCM) [Chama Cha Mapinduzi] here this evening.

The delegation, led by Gertrude Ibengwe Mongella, member of the CCM Central Committee and social welfare secretary of the CCM National Executive Committee, is here to on a two-week visit at the invitation of the CPC.

According to an official of the International Liaison Department of the CPC Central Committee, Qiao and Mongella reviewed the friendly relations between the two parties and countries and expressed their readiness to develop the relations.

Qiao briefed the guests on China's achievements in its economic reforms and opening to the outside world.

He said that China must conduct its reforms and economic construction in light of its actual conditions and should not be overanxious for quick results.

Tanzanian Minister Commends Relations

OW0612005190 Beijing XINHUA in English
1831 GMT 5 Dec 90

[Text] Dar es Salaam, December 5 (XINHUA)—Tanzanian Minister for Information and Broadcasting Benjamin Mkapa said here today that the close cooperation between Tanzania and China is a good example in the establishment of a new international economic order.

Opening a photo exhibition of Sino-Tanzania friendship, the minister said cooperation between the two countries has lasted for 30 years under the principles of mutual respect and benefit.

He said Tanzania has been receiving firm support and assistance from China in her struggle for economic development and national unity.

The minister said his country is interested in learning from China's experiences in economic reform.

He hoped that the two countries will expand mutual economic and technical cooperation to develop their relations into a new phase. The photo exhibition was organised by Chinese Embassy and the Tanzanian Government.

Mauritanian Minister Says Coup Plotters Arrested

OW1012031890 Beijing XINHUA in English
0147 GMT 10 Dec 90

[Text] Nouakchott, December 9 (XINHUA)—The Mauritanian Government has arrested some persons reportedly involved in the November 27 foiled coup d'etat, announced Mauritanian Information Minister Mohamed Lemine Ould Ahmed.

In an interview with the Chinese XINHUA NEWS AGENCY, the minister said these people, mostly military personnel, declared having received orders from Dakar, the capital of neighboring Senegal. In case of failure, they said they could flee to Senegal.

The minister said the coup was organized mainly by marine officers and under-officers with the participation of units of the national army. The coup was the follow-up of an earlier attempt in 1987. The putschists will be judged, the minister added.

Senegal earlier denied its involvement in this affair following the Mauritanian Government's announcement of the failed coup attempt last month.

Kenyan President Appreciates Continued Help

OW0812025090 Beijing XINHUA in English
0043 GMT 8 Dec 90

[Text] Nairobi, December 7 (XINHUA)—Kenyan President Daniel arap Moi today thanked the Chinese Government for its continued economic assistance to Kenya in various fields.

Speaking at a graduation ceremony at Moi University in Eldoret Town, western Kenya, President Moi said that while presiding over last year's graduation ceremony at the university, he appealed to the international community to come up and assist the country's higher institutions of learning.

He was pleased to note that various organizations and friendly countries have heeded the appeal.

"Specifically, I would like to thank the Government of the People's Republic of China for their continued assistance to my government in a number of national projects," he said.

The president said that the current undertaking in the expansion of Eldoret Hospital by the Chinese Government will not only assist the university in establishing the faculty of health sciences but also benefit the Kenyan community at large in terms of improved health services.

Loan Agreement Signed With Togo

OW0712044090 Beijing XINHUA in English
0253 GMT 7 Dec 90

[Text] Lome, December 6 (XINHUA)—A loan agreement was signed here today between China and Togo.

Under the agreement China will provide Togo with a loan of 50 million yuan (some 10 million U.S. dollars) free of interest to back projects in the country, including construction of a stadium in the capital of Lome.

The accord was signed by visiting Chinese Vice-Minister of Foreign Economic Relations and Trade Wang Wendong and Togolese Minister of Foreign Affairs and Cooperation Yaovi Adodo in the name of their respective countries.

Togolese President Gnassingbe Eyadema praised the good relations of friendship and cooperation existing between the two countries when meeting with Wang and the Chinese Government economic delegation, which he is heading here today.

The Chinese delegation, which arrived here yesterday, will stay here for four days.

West Europe

PRC, UK To Resume 2d Credit Agreement

OW0712233290 Beijing XINHUA in English
2226 GMT 7 Dec 90

[Text] London, December 7 (XINHUA)—China and Britain today signed a memorandum to resume implementation of the second agreement on British Government's credit to China.

The credit, worth 0.3 billion pounds (0.59 billion dollars), was reached by the two countries in September, 1988. It was disrupted by the British Government June last year.

A Chinese delegation led by Lu Zhen, deputy director general of the Foreign Financing Administration of the Foreign Economic Relations and Trade Ministry, has held talks with British Government officials from the Overseas Development Administration and the Department of Trade and Industry.

The two sides reached a full agreement to reopen the credit and earmarked projects for the remaining 0.25 billion pounds (0.49 billion dollars) loan.

A Chinese official taking part in the talks said that they also discussed possibility of a third agreement on British Government's credit to China and both sides expressed interests in it.

The memorandum was signed by Lu Zhen and Richard Manning, under secretary of the Overseas Development Administration.

Lu's three-man party arrived in London on November 29 and will travel on to Paris for a visit to France.

During their stay in Britain, Lu also had business discussions with around 20 corporations and banks.

Latin America & Caribbean

Agricultural Mission Concludes Chile Visit

OW0912041090 Beijing XINHUA in English
0215 GMT 9 Dec 90

[Text] Santiago, December 8 (XINHUA)—A Chinese Government agriculture delegation headed by State Counsellor Chen Junsheng today left Chile for China after a one-week visit.

The mission which arrived here on December 1 visited the institute of agriculture and livestock studies, a processing plant for exported fruit, fishing installations and the free zone of Inique in northern Chile.

The Chinese delegation met with President Patricio Aylwin who said that his government wished to cooperate with China in the sectors of agriculture, livestock breeding and fishing.

Aylwin said that he believed the prospects of cooperation and friendly ties between the two governments were excellent.

Chilean Foreign Affairs Minister Enrique Silva Cimma also met with the Chinese representatives. He declared that the Chinese mission's visit was important to boost cooperation ties between the two countries.

According to Silva Cimma, trade exchanges between Chile and China are still moderate but he predicted a strong increase in the future.

The Chinese agriculture delegation held talks with officials from the Chilean Agriculture and Economy Ministry. The two parties discussed possible cooperation in agricultural, livestock and fishing projects, and they expressed their will to contribute to further cooperation and friendship ties between China and Chile.

Latin American Oil Importers Hit by Gulf Crisis

OW0812105990 Beijing XINHUA in English
0838 GMT 8 Dec 90

["Roundup: Gulf Crisis and Latin-American Economy (by Hu Jikang)"]—XINHUA headline]

[Text] Caracas, December 8 (XINHUA)—The Gulf crisis has had different impact upon the Latin-American's oil producing and importing countries. The former has benefitted from an increase in oil-exporting revenue, whereas the latter are faced with difficult period ahead.

The oil-exporting countries' economy in Latin America is expecting an average growth of 2.1 percent while the oil-importing countries will see negative growth of 2.7 percent, according to statistics from the Latin American Economic Committee.

Venezuela, Mexico, Ecuador, Colombia, Trinidad and Tobago are the oil-exporting countries in Latin America.

The five nations export all together 3.88 million barrels per day at present. It is estimated that one dollar rise per barrel in the world oil market this year will bring Venezuela an increase in oil revenue of 766 million dollars, Mexico 474 million, Ecuador 73 million, Colombia 66 million, Trinidad and Tobago 36 million.

Venezuela is one of the important oil-exporting countries in Latin America, its daily production is 1.945 million barrels before the Gulf crisis. From September on, the daily output increased to 2.2 million barrels and will reach 2.5 million barrels by the end of this year. Meanwhile, the oil price rises on an average from 16 dollars per barrel in July to 22 dollars in September, the highest being 28 dollars. [sentence as received]

As a result, the country's oil revenue may possibly increase by 2.5 billion dollars this year, according to an estimate made by the Venezuelan financial authorities.

This considerable amount of oil receipts will doubtlessly add new vigour to the Venezuelan economy. Official estimate had that the country's GNP will increase by 5 percent with trade surplus reaching 6.5 billion dollars and foreign exchange reserve reaching 10 billion dollars.

Mexico, also an important oil-exporting country, has increased its daily output since mid-September and has now reached 2.535 million barrels daily at present. It is estimated that Mexico's oil revenue this year will grow by 800 million dollars.

The Gulf crisis has brought great difficulties to Latin-American oil-importing countries, especially Brazil, the largest oil-importing country in Latin America.

Brazil imports 510,000 barrels a day and has to pay 0.35 billion dollars more each month owing to the rising oil price, and the total oil-importing expenses will increase by 1.4 billion dollars this year. Meanwhile, Chile's oil-import bill will increase by 65 million dollars per month, the Dominican Republic 35 million dollars and Uruguay 17 million dollars.

The impact is widespread. It is estimated that one dollar increase per barrel of crude will cause Costa Rica and Guatemala each to pay 7.3 million dollars more this year, El Salvador 5.5 million, Nicaragua 5.1 million, Honduras and Panama 5.8 and 7.7 million dollars respectively.

Meanwhile, Cuba has to import 260,000 barrels daily from the world market owing to the Soviet's supply-cut. The rising oil price has added a heavy burden upon Cuba's economy.

The pressure of inflation resulting from the price rise of fuel increased in many Latin-American countries and that has brought an adverse effect upon the daily life of their peoples.

The oil-exporting and importing countries of Latin America unanimously realised the necessity to

strengthen the cooperations of energy within the region in order to ensure energy supply.

Venezuela increased oil-exports to Brazil and Chile to meet the pressing need. Venezuela and Mexico have also adopted temporary measures to help mid-American and Caribbean countries. The two nations have decided that

they will allocate 30 percent of their oil revenue to that region as favourable loans to subsidize their economic development if the oil price is above 21 dollars a barrel.

Moreover, the oil-exporting countries have agreed to discuss the issue of setting up an energy foundation to help some countries tide over their economic difficulties.

Political & Social**Li Peng Stresses Leniency Toward Activists***HK1012050690 Hong Kong AFP in English 0500 GMT 10 Dec 90*

[Text] Beijing, Dec 10 (AFP)—Premier Li Peng left Beijing Monday for a 10-day tour of four Asian nations, saying the Chinese Government is taking a "very lenient" stand towards pro-democracy activists now awaiting trial.

"If they have ever violated the criminal law of China, then they will be dealt with according to the legal procedures and legal provisions of China," Mr Li told a pre-departure press conference.

"So far as the Communist Party and government policies are concerned, the policies are very lenient towards these people," he added before taking off for Malaysia, the Philippines, Laos and Sri Lanka.

Mr Li's comments were the first by a senior Chinese leader since reliable sources disclosed that six students and intellectuals had been charged in November with "counter-revolutionary" crimes for their roles in last year's Tiananmen Square democracy movement.

They include Beijing University student leader Wang Dan, literary critic Liu Xiaobo, and journalist Wang Juntao.

Mr Li declined to say whether foreign human rights observers or journalists would be allowed to attend the trials.

Speaking about his current trip, his third in Asia in just over a year, Mr Li said he was looking to build bridges with his hosts.

"I'm convinced that this visit of mine will serve to enhance friendship and co-operation between China and the four countries concerned," he said with foreign minister Qian Qichen by his side.

The official CHINA DAILY newspaper, in a commentary, said Mr Li's tour would put "the finishing touches on China's remarkable diplomatic successes this year."

They include the resumption of diplomatic ties with Indonesia, the start of formal diplomatic links with Singapore, and a return to high-level contacts with the United States and Europe which had been suspended after the Tiananmen Square crackdown.

"The mere fact that the premier has managed to fit this four-nation tour into his already tight schedule reveals the policy priorities of the Chinese Government," CHINA DAILY added.

Mr Li is to return home in time for the start December 25 of a Communist Party central committee plenum that is to approve new five- and 10-year plans for China's state-dominated economy.

Asked if the conclave might also decide the fate of ousted Communist Party general secretary Zhao Ziyang, Mr Li replied that as far as he knew, the economic blueprints were the only items on the agenda.

Mr Zhao was stripped of all his leadership posts in June last year for sympathizing with the Tiananmen protests. Since then he has been under internal party investigation, but no further action has been taken against him.

Mr Li also tried to put to rest persistent rumors that 86-year-old senior leader Deng Xiaoping is ailing, saying: "I want to tell you that Comrade Deng Xiaoping is in very good health."

He said the current team of younger leaders—including Mr Li and Communist Party general secretary Jiang Zemin—was "entirely capable of being responsible for all the affairs within China."

But he acknowledged that Mr Deng continues to cast a long shadow even in retirement, saying: "His thinking and his words still have a positive influence on us and are still useful to us."

Interview Focuses on Activist Wang Juntao Case*HK0912085090 Hong Kong TA KUNG PAO in Chinese 9 Dec 90 p 1*

["Special article" by TA KUNG PAO special correspondent Ye Lin: "Let the World Learn About the Fact—Interview With Department Concerned in Beijing on Wang Juntao's Case"]

[Text] The weather is fine in Beijing in the early winter. People in the capital have gone outdoors more frequently, enjoying the fresh air of a warm winter. A "political cold current" deliberately created, however, by a small number of people in Hong Kong, Taiwan, and abroad is storming toward Beijing. Recently, some newspapers and magazines in Hong Kong, Taiwan, and abroad have been noisily spreading a rumor, saying that "the Chinese communists have decided to sentence Wang Juntao and a few other people to a heavy penalty or even to death." With the help of foreign forces, they are attempting in vain to launch an anti-Chinese tide. To find out the truth, this reporter attended a news briefing given by the Foreign Ministry and interviewed the department concerned in Beijing. Now let this reporter tell the fact based on the information obtained from the interview.

Integration of Punishment and Leniency

The Beijing department concerned first asserted with assurance that it is silly nonsense to report that the CPC authorities are going to sentence Wang Juntao and Chen Ziming to death, that Premier Li Peng, during a Political Bureau meeting, personally ordered an action against Wang Juntao, condemning him as a "veteran professional troublemaker who has been active for four successive periods" and saying that "the tiger must not be set

free back to the mountain as it may cause endless trouble in the future," and that "Wang definitely must be rooted out."

In fact, according to the department concerned, the cases of Wang Juntao and a few other people are now undergoing the stage of judicial procedures after the public security authorities started the investigation, and each case will be handled separately according to the law. The Beijing public security department has notified their families of what is going on, in compliance with the procedures prescribed by the law. The municipal procuratorate has not yet instituted any proceedings against them with the municipal court. So the trial, of course, has not been started. Therefore it is still too early to tell how their cases will be handled and to what penalties they will be sentenced.

The department concerned briefed this reporter on the present state of China's legal system and the basic judicial procedures. China has improved its legal system in the 10 years of reform and opening up. The legal system as the foundation of government is being perfected daily and everyone is equal before the law nowadays. In handling the cases of those who violated the law and committed crimes because of their involvement in last year's riots, the Chinese public security and judicial authorities have always strictly abided by the law, in compliance with the principle of proceeding from facts and taking the law as the criterion. They have also earnestly implemented the policy of integration of punishment and leniency and tried their best to redeem every person who can be redeemed. Lenient treatment has been given to those who have honestly confessed their crimes and shown sincerity in repentance. Most of these have already been released after going through the process of investigation and education by the public security and judicial authorities. The cases of those few who are still kept in custody will also be handled in accordance with the same legal procedures.

Cases Will Be Tried According to China's Laws

According to the laws in effect in China, the judicial procedures for a criminal case are divided into four stages, namely, investigation, prosecution, trial, and execution. The public security organ is to conduct the investigation, the people's procuratorate is to start legal proceedings, the people's court is to try the case, and the judicial administrative organ will execute the court's decision. Each sector is to perform its own duties and none can replace others. Although the cases of Wang Juntao and a few other people are still at the first stage of the judicial procedures—the stage of investigation, and it is still far from the stage of trial and conviction, some mass media in Hong Kong, Taiwan, and abroad have begun to spread the rumor that heavy punishment or even the death penalty will be passed on those people. What evidence do they have to support their allegation? What else does this signify apart from the message that these media are ignorant of China's laws or that they have their ulterior motives in doing so?

By the way, the rumor that Wang Juntao and others have been destined to the death penalty according to an internal decision by the CPC is nothing short of a nonsense. China's judicial organ is authorized to try cases independently according to the set legal procedures, and is free from other administrative organizations' interference. After the promulgation of the Criminal Law and the Criminal Procedural Law, the CPC Central Committee made a clear commitment: "The party's leading organs shall no longer be involved in the trial of any specific cases." Those who are repeatedly accusing the CPC of prosecuting someone simply know nothing about China's laws, and they just do not respect the laws.

During the interview, the Chinese department concerned strongly refuted certain foreign mass media's accusation that China is carrying out a ruthless purge against "political dissidents" by making use of the present improvement of Sino-Western relations and the Gulf crisis. The source said: China is a sovereign state, and it is China's right to try within its sovereignty those who have broken the criminal law. The Chinese Government exercises its legitimate right of judicial trial in accordance with the Constitution and pursues an independent foreign policy. The Chinese government never adjusts its behavior to foreigners' expression. Any attempt to use foreign force to interfere in China's internal affairs and spoil its image in the international community will prove to be in vain.

Making Every Effort To Stir Up Trouble

Recently a small number of people in Hong Kong, especially the "Federation of the Hong Kong People for Supporting Democratic Movement in China" headed by Mr. So-and-so, have been very active. They staged a sit-in in front of the office of the XINHUA Hong Kong branch, distributed leaflets and put on street performances, held mass rallies, spread the rumor that Wang Juntao and a few other people's lives are in peril, and called on all the "democratic movement" organizations all over the world to join in a rescue operation. The fact is that the department concerned in China has just started, however, the judicial procedures concerning the cases of Wang Juntao and a few other people. The outcome of the legal proceedings is uncertain, let alone the possibility of the death penalty. What does the "Federation of the Hong Kong People for Supporting Democratic Movement in China" really want to achieve in rushing out to kick up a fuss like this?

It is known to all that since the 4 June incident last year, the "Federation of the Hong Kong People for Supporting Democratic Movement in China" has stuck to a stand against the CPC and the Chinese Government, stirring up trouble again and again in an attempt to undermine prosperity and stability in Hong Kong during the transitional period. Their behavior is disgusting. They may not be happy to see the steady economic improvement, the increasingly stable political situation in the mainland, and a series of diplomatic victories achieved by China.

are they? Is this not the very reason why they fabricated the rumor about the death penalty for Wang Juntao, stirred up trouble, and launched another anti-Chinese tide? The Hong Kong compatriots who love the motherland and Hong Kong had better heighten vigilance against this conspiracy!

Li Peng Says Plenum To Discuss Economic Issues

OW1012033490 Beijing XINHUA in English
0320 GMT 10 Dec 90

[Text] Beijing, December 10 (XINHUA)—The Seventh Plenary Session of the 13th Central Committee of the Communist Party of China (CPC) will be held in late December as scheduled, Chinese Premier Li Peng said here today.

Speaking at a press briefing at Beijing Airport prior to his departure for an official good-will visit to the four Asian countries of Malaysia, the Philippines, Laos and Sri Lanka, Li said, "As you all know, it is a major event for us to work out both the Eighth Five-Year Plan and the ten-year strategy for our economic development. So in order to ensure success in the work, we have solicited opinions from people from all walks of life and made all necessary preparations."

"So," Li went on, "this has given full expression to the mass line the CPC has always pursued."

He noted that he believed the time for convening the session is completely mature, saying, "I am sure that we can achieve our expected results during the session."

He said so far as he knows, "at the forthcoming meeting, we will have only one item on the agenda, that is to discuss the Eighth Five-Year Plan and the ten-year strategy for economic development and there will be no other items."

25 Dec Plenum Set; Politburo Promotions Foreseen

BK0912135690 Hong Kong AFP in English 1107 GMT
9 Dec 90

[By Dennis Hiault]

[Text] Beijing, Dec 9 (AFP)—The Chinese Communist Party, plagued by internal rifts, has pushed back the start of its long-delayed plenum to December 25, reliable Chinese sources said.

The crucial two- to three-day forum, initially set for September, is expected to ratify a new five-year plan for 1991-95 and a 10-year development plan with broad political and economic goals up to the year 2,000.

It was repeatedly postponed because of tension between advocates of the reformist policies launched by senior

leader Deng Xiaoping in 1978 and hard-line conservatives who favor central planning with minimal free-market economics. Tension between the central government here and provinces determined to maintain independence in trade and investment also contributed to the delay.

Three plenums since the suppression of pro-democracy demonstrations here in June 1989 have met behind closed doors, with the party leadership announcing their opening and closing at the same time.

The only public indication of when the upcoming plenum would take place came in November, when Prime Minister Li Peng said the conclave would be held "before the end of the year." But the sources said it was now set to open December 25.

The official press quoted Mr. Li as telling a national conference on the next five-year plan that the national austerity program begun in September 1988 would remain in place—in a softened form—for one more year, with a six per cent ceiling on national growth.

Observers expecting an announcement on the pace and scope of reforms were disappointed, and many diplomats and analysts here said the battle between hardliners and reformists was apparently continuing without a clear winner.

Analysts are unconvinced by Mr. Li's recent assurances that "the problem of succession has been quietly resolved" and by Communist Party chief Jiang Zemin's efforts in the last few weeks to assert himself as heir and undisputed chief of the armed forces.

The current political and economic impasse is aggravated by doubts about the health and role of Mr. Deng, who officially retired last year but still wields decisive influence. The 86-year-old patriarch, who ensured at least outward unity in the party, vanished from public life in June 1989.

But while official praise for the champion of liberalizing Mao Zedong's China is unanimous, some reservations linger.

In a tribute to Mr. Deng Friday, the PEOPLE'S DAILY, the Communist Party organ, slipped in a mention that some of his reforms may have been premature, adding that his earlier heir apparent, Zhao Ziyang, was sacked as party chief for excess liberalism after last year's pro-democracy movement.

His successor, Mr. Jiang, could face competition ahead of the plenum in the absence of Mr. Li, who leaves Monday on a 10-day tour of Malaysia, Laos, the Philippines and Sri Lanka.

On the opening day of the meeting, the party will announce several promotions to the Politburo, a reliable source said, contradicting government spokesman Yuan Mu's statement in October that "no top-level changes" were expected.

Reshuffle To Strengthen Jiang Zemin Leadership

HK0812015190 Hong Kong SOUTH CHINA
MORNING POST in English 8 Dec 90 p 10

[By Chris Yeung]

[Text] The Chinese Communist Party is poised to further strengthen the nucleus of its top leadership under party chief Mr Jiang Zemin by promoting some "third-rung" leaders to the powerful Politburo.

Chinese sources named four contenders for the vacancies in the Politburo including Mr Zou Jiahua, State Planning Commission chairman; Mr Ding Guangen, the newly-appointed United Front Work Department head; Mr Song Jian, State Councillor; and Shanghai mayor Mr Zhu Rongji.

The China-watching MIRROR MONTHLY [CHING PAO] said in its latest issue that the top-level personnel changes were set to take place in the run up to and after the crucial party Central Committee plenum scheduled for around Christmas Day.

A series of senior-level reshuffles at the provincial level and among some key departments have been quietly carried out the past two months.

These included the significant appointment of Mr Ding to replace the disgraced Mr Yan Mingfu and the promotion of the Fujian Governor, Mr Wang Zhaoguo, to become the new head of the State Council's Taiwan Affairs Office.

Mr Wang has also been tipped to take over the helm of the Taiwan Affairs Office under the party now headed by Mr Yang Denin who has also reached retirement age.

Speculation that the Foreign Minister, Mr Qian Qichen, would be promoted to become a vice-premier also grew recently following his trip to the U.S. where he met U.S. President Mr George Bush.

Sources said the personnel changes reflected the desire of the new leadership to rejuvenate the ruling echelon by rotating officials amongst provinces and departments.

It also indicated that the Old Guard was willing to offer a free hand to the new leadership under Mr Jiang.

Mr Jiang was said to have rejected a request for the resignation of Mr Wan Li, chairman of the Chinese National People's Congress.

The magazine said Mr Wan, who appeared publicly on Tuesday for the first time since he was said to be ill about a month ago, sent his resignation note to Mr Jiang "not long ago".

Citing age as a reason, he indicated his wish to step down after his now-cancelled visit to Britain, saying that the party leadership under the nucleus of Mr Jiang had already been consolidated.

The chairman of the NPC, China's nominal parliament, also recommended his subsequent vacancy be filled by Vice-Premier Mr Wu Xueqian before the annual plenary session in March.

The magazine said Mr Jiang has received the resignation letter before he began a trip to Guangxi and Shenzhen about three weeks ago.

He sought a face-to-face talk with Mr Wan in Beijing on his return.

Mr Wan, known as a confidant of patriarch leader Mr Deng Xiaoping, apparently changed his mind after being told by Mr Jiang to stay on.

Rumours were rife after he postponed a trip to London because of "illness".

He was later seen playing tennis in a sports club and appeared on state-run television on Tuesday, presenting awards at a contest.

Chinese sources said Mr Wan had been ill and was advised by doctors to take a rest.

Speculation over the fate of Mr Wan was fuelled following the departure of prominent painter Fan Zeng, one of his close friends, for Paris. He was reportedly blamed for the defection of Mr Fan.

Public Security Minister Reportedly Replaced

HK1012012790 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 90 p 1

[By Seth Faison in Beijing]

[Text] A successor has finally been named for Mr Wang Fang, the Chinese Minister of Public Security who was blamed for mishandling student demonstrations that led to last year's June 4 massacre.

Sources confirmed that the new police chief would be Mr Tao Siju, a Vice-Minister of Public Security since 1983, whose profile will be enhanced when he leaves today with Prime Minister Mr Li Peng on a visit to four Southeast Asian countries.

Mr Tao's appointment was apparently approved by the central Government in mid-October, and public security and other officials were formally notified late last month.

It is not yet known when an official announcement will be made, but it could come as early as the monthly meeting of the National People's Congress Standing Committee scheduled for next week.

Mr Wang's dismissal has been expected for more than a year.

Senior leaders are believed to have blamed him for allowing student demonstrations to grow out of control in April and May 1989, and for the ineffectiveness of the

police that required that the army be called in to put down the protest movement.

Mr Wang's real role during the student-led demonstrations is unclear, but major decisions on security matters are believed to have been made by his superior, senior Politburo member Mr Qiao Shi, or at an even higher level.

After the movement was crushed, political analysts said it was simply a matter of time before Mr Wang was removed.

Yet Beijing authorities were careful to avoid the appearance of an immediate purge of officials, who have instead been replaced gradually.

Rumours circulated that Beijing mayor Mr Chen Xitong was in line for Mr Wang's job, but he has so far kept his position.

Late last spring, residents of Hangzhou in Zhejiang province said Mr Wang had begun renovating the home he had used while serving there as Communist Party chief from 1983-87, sparking rumours that he would soon leave the capital. His subsequent appearances at official meetings temporarily quelled such talk.

Not much is known about Mr Tao, 55, who has served as a Vice-Minister of Public Security since 1983.

His official biography is short and leaves several periods of his career without mention.

He worked in the general office of the powerful Central Military Commission in 1978-79, and then as a deputy division director in the Public Security Ministry before being promoted to vice-minister in 1983.

He is neither a full nor an alternate member of the Communist Party Central Committee.

Mr Wang, who was made Minister of Public Security in 1987, was promoted to the post of State Councillor in 1988.

Yao Yilin Acting Premier During Li Peng Trip

*OW1012022590 Beijing XINHUA in English
0207 GMT 10 Dec 90*

[Text] Beijing, December 10 (XINHUA)—Chinese Vice-Premier Yao Yilin will become acting premier and chair the daily routine of the State Council during the absence of Premier Li Peng. XINHUA learned from the General Office of the State Council today.

Li Peng is now on an official good-will visit to four Asian countries of Malaysia, the Philippines, Laos and Sri Lanka.

Deng Said Against Deng Liqun's Reinstatement

*HK1012065490 Hong Kong MING PAO in Chinese
10 Dec 90 p 2*

["Newsletter From the Divine Land" by Nan Hsun (0589 3575): "Deng Xiaoping Does Not Allow Deng Liqun To Be Reinstated"]

[Text] An official of the CPC Central Organization Department disclosed that Deng Xiaoping recently ruled out the possibility of Deng Liqun's reinstatement.

The cadre, who wished to remain anonymous, confirmed that some political elders, including Chen Yun, had intended for Deng Liqun to be reinstated. Deng Liqun, who lost his positions as member of the Central Secretariat and head of the Propaganda Department during the "13th CPC National Congress" in 1987, has always, in the capacity of Central Advisory Commission member, opposed spiritual pollution and bourgeois liberation. He also supports "leftist activists" such as Xu Weicheng and He Jingzhi in opposing Li Ruihuan, who is relatively liberal. Deng Liqun's taking the position as vice head of the Central Leading Group for Party History this September was a trial to determine his suitability for reinstatement.

It is said that a certain senior leader once sounded out Deng Xiaoping about Deng Liqun's reinstatement as member of the Central Secretariat or member of the Political Bureau during the Seventh Plenary Session of the CPC Central Committee to officially confer on him the power over political propaganda, thus offsetting Li Ruihuan's influence. After deliberation, however, Deng Xiaoping replied: "I think comrades that have left their positions should not resume them."

The official maintained that the overseas media adopts an incomplete view by including Deng Liqun in the "diehards" that oppose Deng Xiaoping. It is said that Deng Xiaoping and Deng Liqun have been on fairly good terms. In Deng Xiaoping's two reinstatements during the middle part of the Cultural Revolution, in order to resist the extreme leftist politics and to advocate economic development, Deng Xiaoping directed Deng Liqun, who was then in charge of propaganda work, to write editorials for the party paper which advanced the "three instructions as the guiding principle" and thus covertly negated Mao Zedong's "taking class struggle as the key link." Later, he was attacked and criticized by the "Gang of Four." At the time, Deng Liqun took the sole responsibility for the editorials, thus protecting Deng Xiaoping during the "crisis." Since then Deng Xiaoping has regarded him highly. Upon Deng Xiaoping's rise to power for the third time in 1978, he entrusted Deng Liqun with the power over political propaganda.

Moreover, according to people who have access to senior leaders in Beijing, although Deng Liqun takes a firm stand in opposing bourgeois liberation, he holds similar views on many policies for economic reform and

opening up, and he even dares to criticize some conservatives. Therefore, the fact that Deng Xiaoping has disallowed Deng Liguang's reinstatement this time is not an ordinary conflict between the "reformists" and the conservatives, but should have a wider sense.

Ding Guangeng Attends Democratic Party Plenum

OW0812220490 Beijing XINHUA Domestic Service
in Chinese 1422 GMT 7 Dec 90

[By RENMIN RIBAO reporter Yuan Jianda (5913 1696 6671) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 7 Dec (XINHUA)—The Third Plenary Session of the Fifth Central Committee of the China Democratic National Construction Association was held in Beijing from 3 to 7 December. The meeting called on various levels of organizations of the association to carry out active investigation and study of various economic issues, report on the situation, and advance suggestions to the Communist Party and the government on the implementation of the Eighth Five-Year Plan next year.

During the session, Sun Qimeng, chairman of the Central Committee of the China Democratic National Construction Association, delivered a work report entitled "Carry Forward the Excellent Tradition, Have a Pioneering Spirit, Be Down to Earth, and March Forward," on behalf of the Standing Committee of the Central Committee of the China Democratic National Construction Association.

The work report listed the progress achieved in participating in political affairs and in serving the building of the two civilizations. Since the beginning of this year, the central committee of the association has successively organized association members to carry out investigation and study on certain issues concerning commodity circulation and on some policy issues related to the economic development of minority nationalities. The CPC Central Committee and the State Council have attached great importance to the suggestions. Various levels of local organizations of the association also actively advanced suggestions to local committees of the Communist Party and local governments on the issues of economic retrenchment and reform. The number of association members becoming deputies of people's congresses, members of the Chinese People's Political Consultative Conference, and assuming leading posts in government organs has increased. According to incomplete statistics, the association and the Federation of Industry and Commerce provided some 17,000 consultative services to local enterprises in the last two years, which helped generate 407 million yuan of economic benefits. They also helped establish some 200 academic institutions. The association also carried out poverty-eradication work in Guangxi's Bose Prefecture and in Guizhou's Bijie Prefecture in coordination with the State Nationalities Affairs Commission, State Scientific and Technological Commission, and other departments. Their work has achieved marked results.

In his report, Sun Qimeng called on all levels of organizations of the association to strengthen the overall functions of the association, raise their quality, and fully bring into play their functions as a political party when participating in political affairs and carrying out democratic supervision next year. He called on them to enhance their organizations, make members of the association take part in political activities, and urge members to air their opinions and propose suggestions on the state's policies and principles and on strengthening the building of honest government on the basis of upholding the four cardinal principles.

During the meeting, Ding Guangeng, alternate member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee, and head of the United Front Work Department of the CPC Central Committee; Jiang Minkuan, permanent deputy head of the United Front Work Department of the CPC Central Committee; and Sun Kun, deputy head of the United Front Work Department of the CPC Central Committee, called on participants of the meeting and held forums with members of the association's Standing Committee. Comrade Ding Guangeng spoke at the forum.

The "Decision on Approving the Work Report of the Standing Committee of the Central Committee" was adopted at today's closing session. The decision pointed out: Our country's socialist construction, reform, and opening will face a critical period for some time in the future. All levels of organizations and members of the association should continuously carry out earnest study and implement the "Opinions of the CPC Central Committee on Persisting in and Perfecting the System of Multiparty Cooperation and Political Consultation under the Leadership of the Communist Party of China"; continuously carry forward excellent tradition; maintain a pioneering and down-to-earth spirit; unite closely; and strive forward. All should make fresh contributions to strengthening the building of the association; to perfecting the mechanism of participating in political activities; to better bringing into play the role of political party; to maintaining and developing the political situation of stability and unity; to implementing the Eighth Five-Year Plan; to promoting the building of two civilizations, reform, and opening; and to promoting the peaceful reunification of the motherland.

The meeting decided to hold a national commendation meeting of outstanding association members and advanced collectives in the fourth quarter of next year. The meeting also decided to hold the Sixth National Congress of the China Democratic National Construction Association ahead of schedule in 1992.

Bao Yongjiang, Liu Heng, Lu Ming were elected members of the Central Committee of the China Democratic National Construction Association, and Liu Heng was elected a Standing Committee member of the Central Committee of the China Democratic National Construction Association in a by-election.

Sun Qimeng spoke prior to the close of the meeting. Sun Xiaocun, chairman of the consultative committee of the Central Committee of the China Democratic National Construction Association; and Tang Yuanbing, Chen Suiheng, Chen Mingshan, Wan Guoquan, Feng Tiyun, Huang Daneng, Li Chonghuai, and Bai Dahua, vice chairmen of the Association, attended the meeting.

Beijing 'December 9th' Anniversary Forum Held

Leaders Attend Meeting

OW0812201290 Beijing XINHUA Domestic Service
in Chinese 1010 GMT 8 Dec 90

[By reporter He Ping (0149 1627)]

[Text] Beijing, 8 Dec (XINHUA)—A forum marking the 55th anniversary of the "December 9th" Movement was held in the Great Hall of the People this afternoon. The meeting was cosponsored by the Propaganda Department of the CPC Central Committee, the State Education Commission, the Communist Youth League Central Committee, the All-China Students' Federation, and the Beijing Municipal CPC Committee.

Song Ping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, addressed the meeting. He pointed out: The "December 9th" Movement was a great patriotic movement led by the CPC, in which many young people and students participated. It promoted the integration of intellectuals with workers and peasants. The founding of the PRC opened up a boundless vista for educated youth to take the road of integration with workers and peasants and with practical work. Both historical experience and current experience tell us that if we take the road of integration with workers and peasants and with practical work, fog cannot block our sight and storms cannot block our advance.

Song Ping pointed out: Young people in their teens and twenties now are at the junction of two centuries. With their youth, they will connect the republics today and its tomorrow. The party and the people place profound hopes on the young generation. The glorious revolutionary traditions of the "December 9th" Movement need to be inherited and carried forward by young people. Young comrades should study hard Marxism-Leninism-Mao Zedong Thought and the party's basic line, principles and policies; improve their ideological and moral standards; strive to acquire scientific and technological knowledge; and learn the skills of construction. He expressed the conviction that the revolutionary traditions of the Chinese youth movement will surely be passed on from generation to generation, and the young generation will surely be full of promise and contribute to the great undertaking of building socialism with Chinese characteristics.

Other speakers at the forum included Yang Yue, chairman of the All-China Students' Federation and student at Qinghua University; Sheng Chengfa, vice

president of the All-China Youth Federation and researcher at the Institute of Zoology of the Chinese Academy of Sciences; Chen Wei, student at Beijing University; Wang Xueqin, graduate student at Beijing Teachers University; Feng Changgen, professor at Beijing Science and Engineering University; and Guo Honglin, student at China People's University. They pointed out: The healthy growth of young intellectuals cannot be separated from the party leadership. Only when they work under the party leadership, take the road of integration with workers and peasants, and take part in social practice, can they become persons of ability and live a correct life. They pledged to carry on and develop the glorious revolutionary traditions of the "December 9th" Movement, integrate their growth and their values with the needs of the time and the destiny of the country, and contribute to building China into a modern, powerful country under socialism with Chinese characteristics.

Leading comrades Li Tieying and Duan Junyi were present at the meeting, as were veteran Comrades Yuan Baohua, Han Tianshi, and Liu Daosheng, who took part in the "December 9th" Movement.

The forum was presided over by Song Defu, first secretary of the Central Committee of the Communist Youth League. During the meeting, Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, presented to various Beijing universities and colleges videotapes of the television political commentary film "Journey of the Century—a Ramble Talk on the Four Cardinal Principles." He did so on behalf of the Central Propaganda Department and the propaganda department of the Shenzhen City party committee.

Song Ping Gives Speech

OW0912134390 Beijing XINHUA Domestic Service
in Chinese 1046 GMT 8 Dec 90

[“Text” of speech by Song Ping, member of the Standing Committee of the CPC Central Committee Political Bureau, at a Beijing forum to mark the 55th anniversary of the “December 9th” Movement]

[Text] Beijing, 8 December (XINHUA)—Fellow students, comrades:

The great “December 9th” Movement marks its 55th anniversary today. Under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core, every nationality in the country is currently working hard for the second stage of the strategic goal to redouble the gross national product. Therefore, it is special and of great significance that we are holding a forum at this moment to commemorate the “December 9th” Movement.

The “December 9th” Movement was a great patriotic movement led by the CPC in which many young students took part. At that time, the Japanese imperialists were creating the “North China Incident” as a follow-up

to the "September 18th" Incident to extend their feelers of invasion into northern China in the vain hope of annexing the whole of China. During that critical moment in which the Chinese people were facing national destruction, vast numbers of young students in Peiping aroused the entire nation by setting off the "December 9th" Movement, and launching the call to "end the civil war, and oppose Japan to save the country" with a view to opposing aggression by the Japanese imperialists. The Northern Bureau of the CPC Central Committee and the Peiping Provisional CPC Committee directly led this movement, and many communists and progressive youths were key members. The "December 9th" Movement exerted a great influence on the entire country, and became the harbinger of the all-out national war of resistance against aggression. Under the party's leadership, all the nationalities throughout China carried out an extremely hard and difficult struggle to win the war of resistance against Japan, and the war of liberation to found the People's Republic of China. From then on, the Chinese people stood up. Since the nation's founding more than 40 years ago, we have overcome many difficulties to achieve a series of glorious successes in socialist revolution and construction, bringing great changes to China and attracting worldwide attention.

History has proven that the successes of the revolution and construction were inseparable from the leadership of the CPC. From now on, we must unite every race in the country, galvanize the national spirit, press resolutely and courageously forward along the socialist road, and strive for greater victories in the socialist cause. All these are similarly inseparable from the strong leadership of the CPC.

The great "December 9th" Movement promoted the integration of the intellectuals with the workers and peasants.

The "December 9th" Movement led many young intellectuals to experience the revolution and merge with the masses. This experience made them realize that the CPC is the real representative of the Chinese people and China's interests, and that to save China, they had to follow the CPC. Of their own accord, many of them teamed up with workers and peasants after studying Marxism, and advanced from patriotism to socialism, playing important roles during the New Democratic Revolution, the Socialist Revolution, and socialist construction.

The founding of the People's Republic of China opened up a boundless vista for the young intellectuals to merge with the workers and peasants, and to engage in practice. They went to the grass roots and the frontiers to engage in socialist construction together with the masses. Reform and opening to the outside world creates favorable conditions for the upbringing of young intellectuals. The vast numbers of young intellectuals merge themselves with the current of advancement in the motherland by sharing the experience and fate of the people, learning about the society, understanding the state of

national affairs, and dedicating their youth and skills to truly realizing the value of human life. Large groups of intellectuals who have made outstanding contributions have emerged from every front. Their experience has proven that going into practice and integrating with workers and peasants is a correct way of life, and a real way to become a useful person.

A few years back, some people who advocated bourgeois liberalism attempted to lead young people away from the people's interests and the motherland's and people's destiny to pursue "self-centeredness," "self-design" and "self-realization," and to take the egoist road. This has generated a lot of bad influence. After the political turmoil at the turn of summer last year, we were glad to see that party committees at all levels have made serious efforts to implement the directives of the party Central Committee, and adopted many measures to guide the young students to participate in social practice and to conduct social surveys. During practice, the vast numbers of young students learned about the deep affections the workers and peasants have for the motherland, and realized that hard work is necessary for socialist construction. They also realized that the talented people who have selflessly devoted much energy to build the motherland are the backbone of China. History and experience tells us that by merging with the workers and peasants and going into practice, dense fog cannot cover our eyes and stormy waves cannot hinder our journey forward.

Fellow students, comrades, the 1990's is a critical decade for the fate of our party and country, the future of socialism, and the revitalization of our people. We are confronted with many severe tests and challenges, as well as many new historic opportunities and hope. Despite changes in the world situation, the politics, economy and society in China have been stable. The foundation for development as well as the situation of the national economy and the various undertakings are all fairly good. We must seize the historic opportunity; fully exercise the superiority of the socialist system; concentrate on doing a good job with domestic development, reform and opening to the outside world; and focus our energy on developing the economy so as to build our country properly.

Young people in their teens and twenties are now standing at the junction of two centuries. They will use their youth to connect the republic's today with its tomorrow. The party and people place high hopes on the young generation. Young people are needed to inherit and carry forward the glorious revolutionary traditions of the "December 9th" Movement. Young comrades must diligently study Marxism, Leninism and Mao Zedong Thought, learn about the party's basic line and all its guidelines and policies, improve their ideological and moral standard, work hard to acquire scientific and technical knowledge, and master the skills of construction.

We firmly believe that the revolutionary traditions of the Chinese youth movement will be handed down from one generation to another, and that the young generation will surely become a promising generation that will contribute to the great cause of building socialism with Chinese characteristics.

Jiang Stresses Correctness of Religion Policy

OW0812145690 Beijing XINHUA Domestic Service in Chinese 1003 GMT 8 Dec 90

[By reporter He Ping (0149 1627)]

[Text] Beijing, 8 Dec (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, pointed out the following to some representatives attending the national religious work conference on the afternoon of 7 December: The party's religious policy is correct, and its work on religious affairs has achieved remarkable results. In the days to come, we will continue the policy of freedom of religious belief, maintain the stability and continuity of this policy, and see to it that the broad masses of religious believers and nonbelievers unite and make joint efforts for the socialist modernization drive.

The forum took place at the Huaren Hall in Zhongnanhai. Comrade Jiang Zemin chaired and addressed the forum. Comrades Wu Xueqian, Ding Guangren, Wen Jiabao, and Luo Gan were among those present at the forum.

At the forum, speeches were made by Chen Suzhi, vice governor of Liaoning Province; Zhang Runshen, vice governor of Hebei Province; Mu Yongji, vice governor of Gansu Province; Luo Tongda, vice governor of Sichuan Province; Wu Xijun, vice governor of Jiangsu Province; Hu Tiyun, vice governor of Henan Province; Liu Jinmei, vice governor of Fujian Province; Mao Dehua, vice chairman of Xinjiang Uygur Autonomous Region; Xie Lijuan, vice mayor of Shanghai Municipality; and You Ge, chairman of the Nationalities and Religious Affairs Commission of Tibet Autonomous Region. They reported on the efforts being made to implement the religious policy and develop religious work in their respective localities.

After hearing their speeches, Jiang Zemin said: The party Central Committee is of the opinion that our religious work has met the needs of the new situation of reform and opening to the outside world, earnestly implemented the party's religious policy, closed the ranks of the patriots in the religious circles as well as the broad masses of religious believers, consolidated and expanded the patriotic united front, and contributed to the socialist modernization drive. In general, our religious work is in a fine situation, and its achievements are remarkable. The achievements have resulted from the close coordination and joint efforts of our religious work cadres, the departments concerned, and patriots in the religious circles under the leadership of party committees and governments at various levels. We should fully affirm the achievements and sum up experience. At the

same time, we should pay attention to the problems existing in this work and make a serious effort to solve them.

Jiang Zemin pointed out: The party Central Committee holds that the religious question, involving millions of masses, is an important issue. Correctly dealing with the religious question is of exceptional importance to maintaining national stability, strengthening the unity of different nationalities, safeguarding the unification of our motherland, and promoting the building of the "two civilizations" of socialism.

Jiang Zemin set the following demand in his speech: Party committees and governments at all levels should include religious work on their agenda, periodically check how the religious policy is being carried out, and solve the existing problems in a timely manner. They should educate the vast numbers of party members and cadres in the Marxist view on religion and the party's religious policy. Leading party cadres at all levels should take the lead in studying these and set an example in implementing the party's religious policy. Education in the scientific world outlook should be conducted among the broad masses of people, in particular young people, so as to cultivate them into new people with high ideals, moral integrity, good education, and sense of discipline.

Jiang Zemin stressed: Actual practice has proven that the policy of freedom of religious belief implemented by our party is the only correct religious policy that conforms to the basic interests of the people of all nationalities. It has won support from the masses of the people. We have no reason to change this policy, but will continue to implement it unswervingly. He asked the party and government leadership at all levels to carry out still better the work of uniting the people of religious circles, show concern about their study and livelihood, listen to their opinions, make friends with them, and give full play to their positive role. He said that party committees and governments at all levels should pay attention to strengthening the contingent of cadres engaged in religious work, enhancing their understanding of the policy, and improving their specialized work proficiency. It is necessary, he added, to coordinate and pool the efforts of all sectors in a bid to make our religious work a real success.

Work Meeting Ends

OW1012020690 Beijing Domestic Service in Mandarin 1030 GMT 9 Dec 90

[From the "National Hookup" program]

[Text] The national work meeting on religious affairs ended in Beijing this afternoon. Entrusted by the State Council, Ren Wuzhi, director of the State Council's Bureau of Religious Affairs, delivered a concluding speech at the meeting. He said: The meeting has mobilized the whole party, the people's governments at all levels, and every circle of society to attach greater

importance to, show more concern for, and do an even better job in religious affairs. The meeting has achieved its expected objectives.

Touching on the main results gained by the meeting, Ren Wuzhi said that, in the course of the meeting, the participating representatives studied and discussed the important speeches delivered by Comrades Jiang Zemin and Li Peng on how to successfully handle the work of religious affairs in light of domestic and international situations as well as the realities of the work on religious affairs; reached a common understanding of the current situation of the work on religious affairs; got to know the importance of the work on religious affairs better; and clearly defined the basic tasks for the future work on religious affairs.

Ren Wuzhi stressed that strengthening the leadership of the party committees and governments at all levels over the work on religious affairs is the fundamental guarantee for accomplishing the basic tasks for the work on religious affairs for a considerable period of time to come. Ren Wuzhi called on the representatives attending the meeting to brief the party committees and governments at all levels on the results of the meeting and earnestly organize them to study the guidelines of the meeting in order to see that they are relayed and implemented. Meanwhile, Ren Wuzhi said, it is also necessary for the party committees and governments at all levels to adopt various forms of propaganda and education among the vast numbers of party cadres in the Marxist outlook on religion and the party's policy toward religious affairs in accordance with the guidelines of the meeting.

The representatives participating in the meeting exchanged views on the situation of all areas of work on religious affairs and on their experiences in the course of the meeting. Meanwhile, they also raised some questions and made some suggestions about how to further successfully handle the work on religious affairs.

Li Ruihuan Praises Documentary Film

*OW0812152690 Beijing Television Service
in Mandarin 1100 GMT 30 Nov 90*

[From the "National News Hookup" program]

[Text] Comrade Li Ruihuan watched the documentary "Vicissitudes of Yuanmingyuan" recently. Saying that the documentary is an excellent educational film for teaching patriotism, he praised the film artists' sense of responsibility to society.

He encouraged them to keep to their direction, improve their quality, and continue to dedicate themselves to the socialist film industry.

Zhang Zaiwang, Tan Shaowen Open Village School

*SK0712064290 Tianjin City Service in Mandarin
1000 GMT 6 Dec 90*

[Text] The dream of (Han Jingxian), a peasant of (Jizhuangzi) Village of (Huozhuang) Township in Beijiao District, to construct a building for the village's primary school has finally come true. This morning, the Beijiao District party committee and government held a ceremony in the village to mark the completion of the school building. Tan Shaowen, secretary of the municipal party committee, and Zhang Zaiwang, Standing Committee member of the National People's Congress, cut the ribbon at the ceremony. Qian Qiao, vice mayor of the municipality, spoke. Attending were Xiao Yuan, Zhao Jinsheng, Wang Liji, Li Shusen, and Bai Hua. A golden horizontal board inscribed with the characters written by Tan Shaowen—Support Education and Benefit Future Generations—was hung at the center of the building.

As has been learned, (Han Jingxian), who became affluent through transportation work, has donated money for educational development on several occasions since 1984 when support-the-education activities were launched extensively throughout society. In the past seven years, he has donated nearly 300,000 yuan, almost all of his savings. Today, when children of the village have rooms for their activities, and teachers have shower rooms, (Han Jingxian) and his family are still living in a [words indistinct] house.

Transient Population Family Planning Stressed

*HK0712123090 Beijing XINHUA Domestic Service
in Chinese 0540 GMT 7 Dec 90*

[Report by Zhao Pingan (6392 1627 1344): "Stronger Family Planning Measures Over Transient Population Leads to Control Over 'Excess Birth Guerrillas'"—XINHUA headline]

[Text] Zhengzhou, 7 Dec (XINHUA)—This reporter recently learned from the second national forum on urban transient population held in Zhengzhou the following: By insisting on giving the same amount of attention to both permanent and transient populations and relentlessly stepping up the family planning management over the transient population, many cities have been able to bring the long-existing phenomenon of "excess birth guerrillas" under effective control.

In recent years, cities like Tianjin and Shenyang have included temporary residents in their family planning management programs. Shenyang City even adopted such strict measures as requiring the transient population to comply with city entry procedures, pregnancy notification, and payment of guarantee and deposit funds to step up family planning management over married women of childbearing age who come from outside the city. A sampling survey conducted in 13 streets (towns) in Shenyang in September this year revealed that 98.2 percent of the temporary-resident

married women of child-bearing age have taken contraceptive measures before and after arriving in Shenyang.

Tight coordination between the transient population's places of embarkation and disembarkation and their joint management effort is the key link needed to overcome the dead end problem posed by multiple births within the transient population. Henan Province's "family planning regulations" explicitly stipulated that the embarkation place should enforce enduring and effective birth control measures before a married woman of childbearing age leaves the place, and that upon her arrival at the disembarkation place, the woman should present a family planning certificate issued by the government of the place where she is registered before she can apply for a temporary residence permit or for business and work papers. To cope with the family planning management over the transient population, Fuzhou has drawn up several provisional regulations and penalty systems as well as defined the duties and responsibilities of the concerned departments such as family planning commissions, public security bureaus, and industrial-commercial bureaus. The family planning commissions at all levels in this city have set up a desk or station to manage the transient population, with the personnel already numbering 300. They often work with the comrades from the public security, industrial-commercial, and city construction departments and go deep into the grass roots to find out about implementing relevant regulations.

The forum participants held that family planning management over the transient population remains a weak link in many cities. Everyone hoped that party committees and government leaders at all levels would raise their consciousness, foster a sense of overall interest, seriously deal with the work on the family planning management over the transient population, and endeavour to come up with firm results.

Translators Suggest Rewards for Quality Work

OW0712133890 Beijing XINHUA in English
1249 GMT 7 Dec 90

[Text] Beijing, December 7 (XINHUA)—A group of Chinese translators and professors have called on better translation from Chinese into English so as to keep up with China's increasing contacts with the outside world.

The more than 100 translators, who were attending the ongoing national symposium on Chinese-English translation, agreed that both quantity and quality of Chinese professional and amateur translators do not keep abreast of the needs of China's contacts with the rest of the world.

Lin Huangtian, deputy editor-in-chief of the "CHINA TRANSLATORS JOURNAL," said that a number of famous Chinese literary works, both ancient and contemporary, have been translated into English and other foreign languages. However, a great deal still remains to

be done. Gaps in culture and history have been obstacles in doing the translation and making China better known by the outside, he noted.

Pu Shouchang, an expert who served as secretary and interpreter for the late premier Zhou Enlai for many years, said that it is an urgent task for translators in China to improve their skills.

"One can spot many mistakes and improper expressions in the foreign-oriented publications, brochures of scenic spots, advertisements, and the names of shops and streets," he said. "The errors make them hard to understand and even damage China's image."

Last month, Han Suyin, the Chinese-English writer, wrote to the "CHINA TRANSLATORS JOURNAL" expressing her hope that Chinese translators would pay more attention to national and emotional values of other countries. "So far very little attention has been paid to that fact," Han said in her letter.

Yang Xianyi, who co-operated with his wife Gladys Yang in translating the Chinese classic "A Dream of Red Mansions" into English, said that China should strengthen its leadership over translation and should develop a long-term plan for translating Chinese works into English and other foreign languages. "China can co-operate with foreign countries in choosing topics, editing and publishing," Yang suggested.

Yang said that foreigners who have done excellent translation of Chinese works should be rewarded by the Chinese Government, just as other countries had rewarded famous Chinese translators.

Lin Wusun, deputy director of the China Translators Association, suggested that a national college of translation be established in an effort to strengthen personnel training, and that an experts' committee be formed to evaluate the quality of translations. An organization is needed to co-ordinate the translation of important words and special terms, Lin said.

Correction—Song Ping on Learning From Fu Xianzhong HK0712013890

The following correction pertains to the item headlined "Song Ping Stresses Learning From Fu Xianzhong," published in the 6 December China DAILY REPORT, pages 14-17:

Page 15, column one, first paragraph, first sentence make read: [Text] Shijiazhuang, 5 Dec (XINHUA)—I heard about.... (supplying missing dateline)

Science & Technology

1990 Science, Technology Commendation Meeting Held

Jiang Greetings Letter

OW0712143790 Beijing XINHUA Domestic Service
in Chinese 1005 GMT 7 Dec 90

["Text" of congratulatory letter by CPC General Secretary Jiang Zemin to the 1990 National Science and Technology Commendation Meeting; date of letter not given]

[Text] Beijing, 7 Dec (XINHUA)—Comrade Song Jian and all representatives to the National Science and Technology Commendation Meeting:

In conjunction with the opening of the 1990 National Science and Technology Commendation Meeting, I wish to express my heartfelt congratulations and pay sincere tribute to the meeting and all the award winners, and also to the scientists and science and technology workers at all fronts of our nation's socialist modernization construction through you.

Science and technology is the frontrunner of productivity. Science and technology activities are a great revolutionary force in promoting modern economic development and social advancement. Developing science and technology and relying on advancement of science and technology to realize socialist modernization construction is the historic mission of the entire party and all people throughout the nation.

Under the leadership of the party, scientists and science and technology workers who have waged hard struggles and are bold in exploration have obtained results that captured the attention of the world in numerous areas of basic sciences, high technology and applied technology and made tremendous contribution toward the advancement of human beings and the modernization construction of China.

As for all award-winning comrades, you are the distinguished representatives of the motherland's science and technology army and the outstanding sons and daughters of the Chinese people. You have rendered meritorious service and achieved grand results in making our socialist motherland thriving in prosperity. You will always be remembered by heart by people of all nationalities throughout the nation.

The entire party and the whole society must further establish the good social habit of attaching importance to science and technology, making use of science and technology, and respecting talent in order to create a social environment more conducive to the vigorous development of science and technology. The 1990s are a crucial ten years for realizing the ambitious objective of doubling gross national production by the turn of the century. Science and technology circles are shouldering the glorious but arduous task. We sincerely hope that under

the guidance of the party's cardinal principles, all scientists and science and technology workers will be even more united, continue to bring forward the spirits of patriotism and socialism, be self-reliant, be self-motivated to do pioneering work, be meticulous in seeking the truth, in order to produce more spectacular results for the motherland and the people.

[Signed] Jiang Zemin

Li Peng, Others Attend

OW071223290 Beijing XINHUA Domestic Service
in Chinese 1324 GMT 7 Dec 90

[By reporters Zhang Jimin (1728 4949 3046) and Jiang Zaizhong (1203 0961 1813)]

[Text] Beijing, 7 Dec (XINHUA)—A grand ceremony for presenting the 1990 national science and technology awards was held at the Great Hall of the People in Beijing today. Representatives of the award-winning scientific and technological personnel climbed the rostrum in high spirits to accept the honors conferred on them by the state.

Li Peng, Li Tieying, Liu Huaqing, Zhang Jingfu, Yan Jici, Song Jian, Zou Jiahua, and responsible comrades of relevant departments attended the ceremony and presented awards to the award winners.

This was the fourth science and technology award ceremony held in our country. Since the state set up the science and technology awards, a total of 6,649 research projects in various fields have received awards, including 362 that won the National Natural Science Award, 1,935 that won the National Award for Invention, and 4,091 that won the National Award for Advancements in Science and Technology. Nearly 30,000 scientific and technological personnel have received state commendations.

Jiang Zemin, general secretary of the CPC Central Committee, sent a letter of congratulations. He spoke highly of the achievements of our country's scientific and technological personnel that have captured the attention of the world. He said in the letter: The award-winning comrades are the distinguished representatives of the motherland's science and technology army and the outstanding sons and daughters of the Chinese people. They have rendered meritorious service and achieved grand results in making our socialist motherland thrive in prosperity. They always will be remembered by heart by people of all nationalities throughout the nation.

Li Peng, premier of the state council, delivered an important speech at the ceremony. He said: All of the projects that won the national awards are outstanding scientific and technological achievements of high standards. These achievements have played an important role in promoting scientific and technological progress and economic development, and in strengthening national defense and ensuring national security. Facts

show that at present, science and technology have become the primary productive forces. Countries in the world must rely on scientific and technological progress to a considerable extent to develop their productive forces and overall national strength. Since the Third Plenary Session of the 11th CPC Central Committee, the party Central Committee and the State Council have regarded the development of science and technology and the promotion of scientific and technological progress as one of the basic national policies, and have decided to reform the science and technology management system. Facts prove that the principles and policies of the party Central Committee and the State Council on reforming the science and technology management system and on developing science and technology are correct and successful. We should maintain the steadiness and the continuity of the principles and policies, continue to implement them, and constantly improve them.

State Councillor Song Jian presided over today's ceremony. Zhou Ping, vice minister of the State Science and Technology Commission, delivered a "Report on the Work Related To Decide on the 1990 State Science and Technology Awards."

Zhao Zhongxian, a researcher at the physics institute who won the first place National Natural Science Award for a breakthrough in superconductor research, spoke at the ceremony on behalf of all the award-winning scientific and technological personnel. He pledged to turn the honors into motivating force and make new contributions to the motherland.

Prior to the ceremony, state and party leaders present at the ceremony warmly received the award-winning scientific and technological personnel.

Li Peng Presents Speech

OW0712222190 Beijing XINHUA Domestic Service
in Chinese 1330 GMT 7 Dec 90

[Speech by Premier Li Peng at ceremony for presenting national science and technology awards on 7 December]

[Text] Beijing, 7 Dec (XINHUA)— Comrades:

We are happily gathering here today to present this year's National Natural Science Awards, National Invention Awards, and National Scientific and Technological Advancement Awards to some scientists and experts. I am very glad to be here. On behalf of the party Central Committee and the State Council, I would like to extend my highest respects to you award-winning comrades, and, through you, to the scientists and technicians working hard on various fronts across the country.

The items that win the national awards are outstanding scientific and technological achievements of high standards. For instance, the scientists who win this year's National Natural Science Award, First Class, for "discovery of oxide superconductor of liquid nitrogen temperature zone" first broke the initial change temperature

record of higher than 48.6K. They published the composition of the superconductor and won recognition of scientists around the world. The discovery has broad prospects for application. The project "'Reproduction Six' and its companion series, a source of high-yield and rust-resistant superior wheat strains" which wins National Invention Award, First Class, has created new wheat strains and been widely used in breeding. In the last 20 years, it has been popularized over an area of more than 200 million mu and increased wheat output by 3.1 billion kg. The project "new technological development and innovation on the 1.7-meter rolling mill system in Wuhan Iron and Steel Company," which wins the National Scientific and Technological Advancement Award, Special Class, has promoted technological transformation in the Wuhan Iron and Steel Company, and made it a model enterprise taking the road of technological transformation by relying on scientific and technological progress and its own force. In addition, other outstanding high-tech achievements, such as the "Beijing electron-positron collider and Beijing spectrometer" and "No. 12 laser experiment device," are of great significance to modern scientific research. They have promoted progress in many new high-tech projects and created favorable conditions for China's basic research and high-tech development. Moreover, the scientists and technicians in the field of science and technology for national defense have also made outstanding achievements in breaking blockades and overcoming major as well as key technological problems. These achievements have played an important role in promoting scientific and technological progress along with economic development, and in strengthening national defense and ensuring national security.

Facts show that, at present, science and technology have become the primary productive forces. Countries must rely on scientific and technological progress to a considerable extent to develop their productive forces and overall national strength. Of course, science, technology, and scientific and technological achievements can become actual productive forces only when they are applied to industrial production and converted into commodities in the form of new materials, new technology, or new products.

Since the Third Plenary Session of the 11th CPC Central Committee, the stress on party work has been shifted to economic construction. The development and progress of science and technology are the hope of China's economic development. Comrade Deng Xiaoping has pointed out: "The key to the four modernizations lies in the modernization of science and technology." We must facilitate and promote the modernization of agriculture, industry, and national defense with the modernization of science and technology. The party Central Committee and the State Council have regarded the development of science and technology and the promotion of scientific and technological progress as one of the basic national policies. They have adopted the strategic policy that economic construction must rely on science and technology, and science and technology must be geared to the

needs of economic construction. The development of national economy as the most important task and the major battlefield of China's scientific and technological work have also been regarded. They have made the decision on reforming the science and technology management system. They have made a series of gradual readjustments on the strategy, principles, policies, mechanisms, and patterns of China's scientific and technological development. They have promoted the commercialization of scientific and technological achievements, and opened up and cultivated technology markets. They have reformed the system of appropriation for science and technology and the system of scientific and technological personnel management. They have promoted scientific and technological progress in enterprises and rural areas, and promoted the development of new and high-tech industries. They have successfully formulated and implemented such science and technology development plans as the "Spark Program," "Torch Program," and "Program 863." Remarkable success also has been achieved in promoting international scientific and technological cooperation and exchanges. These efforts have greatly enhanced the notion among scientists and technicians of serving economic construction, accelerated the application of scientific and technological achievements in production, and made important contributions to national economic development. Facts prove that the principles and policies of the party Central Committee and the State Council on reforming the science and technology management system and on developing science and technology are correct and successful. We should maintain the steadiness and the continuity of the principles and policies, continue to implement them, and constantly improve them.

The work of making science and technology perform the main task of serving economic construction, the work of pursuing and developing new and high technology, and the work of stepping up basic research promote one another, and together these create an organic whole. We should pay attention to handling well the relations between basic research and applied research, and between current development and long-range development. Basic research is a science by which people understand natural laws. It provides the scientific principles and philosophical basis which guide people to transform the world. It also is the backing and source of scientific and technological development. Therefore, we must make overall and proper arrangements to ensure the steady development of basic research. With the development of the economy, we should gradually increase the investment in basic research, and concentrate our limited manpower and financial resources on projects that have high academic value and good prospects of application.

The development of science and technology and the promotion of scientific and technological progress not only deal with "hard science and technology"—natural science and technology and their application in production—but also with "soft science and technology"—

scientific policy-making process and scientific management. At present, we understand more about "hard science and technology" and are attaching greater importance to them. It is still necessary, however, for us to enhance our understanding of "soft science and technology," and continue to increase relevant research. The party Central Committee and the State Council have repeatedly emphasized that scientific and democratic methods should be used in our policymaking. The democratic method facilitates the scientific process. In the final analysis, scientific and democratic methods are used so that the state can raise the standards of its policy decisions on important issues and make them conform to objective scientific and economic laws. In making science policies, we should advocate the use of a comprehensive research method which combines quantitative analysis and qualitative analysis. We should create and develop scientific consultative organizations, and establish a standard, scientific policymaking process to ensure the correctness of major policies.

Comrades, since the Third Plenary Session of the 11th CPC Central Committee, we have made achievements which attract worldwide attention. Our overall national strength has been enhanced, living standards have improved remarkably, and our production has developed. Temporary difficulties did occur, however, in the course of our economic development. In the last two years and more, the task of improving the economic environment and rectifying the economic order has achieved remarkable success. The economic situation is becoming better. Under the present, new situation, our urgent task is to improve economic efficiency and promote scientific and technological progress. For this reason, the State Council has decided to put the stress of the economic work beginning next year on readjusting the industrial structure and product mix and improving economic efficiency, and to name 1991 the "quality, variety, and efficiency year" so as gradually to switch China's economic construction onto the track of relying on scientific and technological progress to improve economic efficiency.

China's scientific and technological research and management personnel are an outstanding contingent. They love the motherland, uphold the leadership of the Communist Party of China, persistently take the socialist road, and have an ardent devotion to their work as well as a high sense of responsibility. In the last 40 years and more, they have overcome various difficulties, worked hard in self-reliance, shown selfless dedication, and made indelible contributions to socialist modernization. They have displayed absolute devotion to the party, the motherland, and the people, and have won high respects of the whole party and the people throughout the country. This contingent is a valuable asset of our party, our country, and our people, and is the main force promoting scientific and technological progress. The party and the people place profound hopes on our scientific and technological front. We should continue to promote the social conduct of respecting knowledge and

talent, and strive to improve the working and living conditions on the scientific and technological front. We are convinced that China's scientific and technological front surely can accomplish its new, historic tasks in the 1990's, win new honor for the Chinese nation, which has a 5,000-year history of civilization, and make even greater contributions to the prosperity of our great socialist motherland.

National Prizes Awarded

OW0812191090 Beijing XINHUA in English
1303 GMT 8 Dec 90

[Text] Beijing, December 8 (XINHUA)—One hundred and one young Chinese have won the second national prizes for young scientists and technicians.

An official from the China Association for Science and Technology (CAST), sponsor of the prizes, announced the winners at a press conference here today.

Wang Daheng, a leading scientist and vice-chairman of CAST, said that 87 of the 101 winners come from colleges, universities and research institutes, and the rest are from factories and enterprises. Their average age is 33.

Established in 1988 the prize is awarded every two years to outstanding young people who have made notable contributions to the country's development of science and technology and to the popularization of science.

Among the winners was Bai Chunli, a 37-years-old research fellow from the Institute of Chemistry under the Chinese Academy of Sciences. He discovered a new deoxyribonucleic acid (DNA) structure. Li Yuhu from the Shaanxi Provincial Archives has spent years on ways to protect files. Lu Zanning from Shandong Province succeeded in raising the survival rate of baby rabbits by 40 percent.

Other winners advanced new theories in academic research or brought forth new ideas in scientific practice.

The awards ceremony is scheduled to be held here next April.

Regulations Govern Exchanges at Technology Fairs

OW0712145290 Beijing XINHUA in English
1319 GMT 7 Dec 90

[Text] Beijing, December 7 (XINHUA)—China issued a set of regulations today which govern the holding of technology fairs in a bid to co-ordinate activities and ensure better results.

The "Interim Measures for Controlling the Holding of Technology Fairs" will become effective on January 1, 1991. The document outlines specific provisions on the content, form, purpose, organizational matters, and procedures for examination and approval of fairs.

Annually the country holds about 1,000 such fairs, at which most technological transfers are done.

The State Science and Technology Commission drafted the regulations due to the importance of the fairs as a form of accelerating commercialization of technology. However, most fairs lacked proper management and procedures for examination and approval, and some of fairs were poorly operated.

The drafting of the regulations is aimed at strengthening the management of the fairs so they will play an even greater role in promoting the transfer of adaptable technology, said an official from the State Science and Technology Commission.

Economic & Agricultural

Article Outlines Overcoming Economic Slump

OW0712095190 Beijing BEIJING REVIEW in English
No 48 26 Nov-2 Dec 90 pp 4-5

["Notes from the Editors" by Li Yongxia: "China's Economy Out of Slump"]

[Text] China has successfully improved the economic environment by rectifying the economic order and deepening the reform. As the factors restricting production and circulation have been gradually eliminated, the economy has speeded up its recovery. The gross national product (GNP) reached 1,197.7 billion yuan in September, a 2.7 percent increase over the same period last year, indicating that the economy has gotten over its slump and taken a turn for the better.

The speed of industrial production began to pick up in March, increasing from -0.9 percent to 1.4 percent in March and up to 12.7 percent in October, gradually reaching the level of a normal year. Between January and September, the output of coal, crude oil, pig iron, steel, rolled steel, coke, sulphuric acid, chemical fertilizer, farm chemicals and generated power output all increased slightly over the same period last year; the output of cement, plate glass, generating equipment, machine tools, automobiles, minitractors and rolling stocks, on the other hand, dropped somewhat. Between January and October, the nation's industrial enterprises at and above the township level registered a total output value of 1,571.6 billion yuan, up 4.1 percent from the same period last year. The mix of industrial production of products needed in the market remained stable.

There was an all-round rich agricultural harvest, putting an end to the fluctuation of a few years ago. The summer grain yield reached an all-time high of 99.35 million tons. A good autumn harvest is also expected. It is estimated that total grain output for the year will top 420 million tons; both total output and per-hectare yield reaching new records. Rich harvests were also reported for such major cash crops as cotton, oil- and sugar-bearing crops.

Construction of key projects has picked up and there has been a successful readjustment of the investment structure. Between January and September, an investment of 26.8 billion yuan, or 67.2 percent of that planned, has been made for construction of 200 key state projects, exceeding the 57 percent rate of national investment for capital construction.

The construction of energy and communications projects has been strengthened, although the proportion of investment in ordinary processing industries has dropped. Between January and September, among investments in units owned by the whole people, the value of investment made in energy industry went up 22.1 percent from the same period last year, its proportion to the total investment rising from 26.7 percent to 36.3 percent, the highest ever since the 1980s. The value of investment made in transportation and telecommunications climbed 16.3 percent, its proportion increasing from 13.5 percent to 14.6 percent.

The nation's balance of payments has notably improved and foreign exchange reserves have picked up. According to customs statistics, between January and September, the total value of exports was US\$41.4 billion, up 14.2 percent from the same period last year; the total import value was US\$36.5 billion, down 14.6 percent, eliminating a balance of payment deficit which has continued for several years running. The increase in the nation's foreign exchange reserves was the largest since 1985.

With the upturn of domestic consumer demand, the total value of retail sales of commodities witnessed a growth of 3.6 percent in September compared with the same period last year.

The rate of retail price increases has gone down monthly. Between January and September, the total retail sales price level rose 2.3 percent from the same period last year, the lowest rate since 1985.

Although the economy is now out of a slump, there are still difficulties, the most notable of which are:

Market sales remain weak. Between January and August, the total retail sales value was down 1.19 percent from the same period last year; the sales value of the consumer goods market was down 1.3 percent; and that of the capital goods market by 5.9 percent.

Serious overstocking of finished products. The value of finished products of budgeted state-owned industries reached 109.7 billion yuan by the end of July, up 34.5 billion yuan from the same period last year, a 45.9 percent increase.

A slip in economic returns. Between January and September, profits and taxes registered a decrease of 21.5 percent, of which profits made up 57.9 percent. The number of loss-making enterprises and the value of losses both increased.

The state's financial difficulties increased. Between January and August, domestic financial income increased

by 13 percent over the same period last year but expenditures increased by 18 percent.

The emphasis of current economic work is on getting the market in gear. Using structural readjustment and efficiency improvement as our focus, we should bring about a moderate increase in production.

The solution to the problem of a sluggish market lies in readjusting both the product mix and the industrial structure. As long as the products are geared to market needs, they may sell slowly but they will eventually sell. The shortage of capital construction funds is also a cause behind the depressed market. The government will allow more funds for capital construction in order to bring about a moderate increase in basic industrial projects, infrastructure facilities, the most urgently needed projects and projects which will yield good economic and social results.

In order to raise economic efficiency, efforts will be made to improve enterprise management and operation, quicken the pace of technical innovation and transformation, launch a persistent and extensive campaign to increase incomes and reduce expenditures, increase production and deepen enterprise reform. The goal is to gradually change from an economy of speed to an economy of efficiency, and from an extensive to an intensive economy.

It must be kept in mind that agriculture is the foundation of the national economy. Although the agricultural situation is good this year, the foundation is still weak. China will continue to increase its support for agriculture, particularly in farmland capital construction, so as to create conditions for long-term, steady agricultural development.

Through continuing economic readjustment and deepening of reform, the underlying problems of China's economy, such as an unreasonable industrial structure and poor economic efficiency, will gradually be resolved.

Views on Financial Structural Reform Given

HK0712132590 Beijing JINGJI CANKAO in Chinese
13 Nov 90 p 4

[Article by Tang Mingfeng (0781 2494 1496) of the State Council Development Research Center: "Views on the Financial Structural Reform in the 'Eighth Five-Year Plan' Period"]

[Text] As one of the principal features of the "Eighth Five-Year Plan", reform of the financial structure is once more a topic of intense discussion and debate. A number of people have raised doubts and questions on whether the reform can be veritably pursued.

The Reform of the Financial Structure During the "Eighth Five-Year Plan" Period Should Not Only Resolve the Question of Financial Deficits, but the Problem of an Irregular Contracting System As Well. It Should Implement a "System of Separation of Taxes" and "Separation of Taxes and Profits".

First of all, the question which must be understood clearly by all is: Should the reform of China's financial management system during the "Eighth Five-Year Plan" period proceed primarily toward the resolution of prominent issues like the extreme imbalance between financial revenues and expenditures, and irrational distribution, or should it concentrate on reform of the irregular financial contracting system? The former implies that reform will be limited to readjustment of the profit sharing structure, while the latter would seek to create a new profit sharing mechanism through the implementation of reforms. The demands and directions of the objectives vary, while the concrete conditions and possible obstacles to the pursuit of "reforms" will also differ enormously. It is common knowledge that a highly-centralized financial system is the core of the old economic system. Material foundation is made possible only through the centralized management and distribution of financial capital and the issuance of a command plan; given the non-separation of party and government and of state and enterprises, this also becomes a breeding ground for graft and corruption. Therefore, the guiding ideology calling for re-centralization of financial matters is in effect a proposal for the restoration of a centralized economic system. If, for instance, reform of the financial management structure during the "Eighth Five-Year Plan" period genuinely follows the direction of "separation of taxes" and "separation of taxes and profits", then it is very likely that serious contradictions will develop with the "structure" combining planned economy and market regulation. The reason for this is because the "system of separation of taxes" and "separation of taxes and profits" fall within the scope of a commodity economy. While principally designed to iron out the financial distribution relations between governments at all level, the "system of separation of taxes" has to be based upon the separation of taxes and profits and premised on a rational price relations and a rational added value tax. The "separation of taxes and profits" also requires clarification of the equity relations to promote the retention and increase of the value of capital funds. In other words, reform of the financial structure will not only have to confront the question of how big a role is played by market mechanism, but to a certain extent, it will have to face the crucial and unavoidable question of the ownership system.

Reforms Should Be Used to Resolve Financial Difficulties: Investment for Infrastructure Projects Complementing Light and Processing Industries Should Be Turned Over to Localities, a Mechanism Promoting Competition Be Established, and Inefficient Enterprises Be Eliminated In Order To Lighten the Deficit Burden.

It is widely held that the major problems in the financial area are: One, serious imbalance between the financial

revenues and expenditures of the central government; and two, excessive financial burden shouldered by enterprises. The latter contributes to the aggravation of the former, while the former is indeed one of the main reasons for the central government's inability to regulate the macroeconomics. Hence, under the clamour for "appropriate centralization", it is popularly suggested that the "two proportions" be raised. This type of thinking caters precisely to the nondescript integration of a planned economy and market regulation. In these last few years, our country has talked consistently about the declining proportion of the central government's financial revenues in the total financial revenues of the country. Actually, the proportion of the central government's financial revenues in the total national financial revenues rose from 20 percent to 39.7 percent from 1981 to 1988; during this same period, the proportion of the central government's financial expenditures in the total financial expenditures of the country dropped from 54 percent to 39.2 percent. This shows that the financial difficulties of the central government is connected to some extent with its own relative ineffective utilization of financial resources. Naturally, it is necessary that the central financial organ possesses decisive financial resources to ensure that the central government has the manifest capability to regulate macroeconomics. The so-called "decisiveness" means, however, that construction capital controlled by the central government should be used in genuine key construction projects, and that the manner of "centralization" will not necessarily bring in a lot of "profits". By actively making use of the economic pillars to guide the utilization of capital and redistribution of wealth and thus promote the transformation of the economic structure toward a rational direction, the central government could also step up the regulation of the macroeconomics. In view of this realization, it is therefore not necessary to make sweeping calls for an increase of the "two proportions". Instead, both increases and decreases are needed. On one hand, it is necessary to raise appropriately the proportion of the financial revenue in the national income based on the overdistribution of the national income and its continuing drift toward the domain of personal consumption during these last few years; on the other hand, based on the fact that the pattern of piecemeal profit has become a fait accompli and that production in the processing industries of localities has grown too fast over these past years, it is necessary to turn over to the localities the investment and construction of infrastructure projects complementing these light and processing industries to reduce the central government's financial expenditures.

In recent years, the economic results of China's enterprises have declined gradually. The profit rate of business capital in industrial production within the national budget dropped more than six percentage points from 1984 to 1989, while the profit rate of business capital in state commerce fell by nearly five percentage points. It continues to go down this year. And while increasing revenues means first of all increasing tax receipts in

financial terms, more importantly, the enterprises should first raise their profits. From January to September this year, the profit realized of state industrial enterprises within the budget fell by 57.9 percent, profit tax realized fell by 21.5 percent, and profits turned over to the state fell by 7.1 percent. At the same time, the extent of losses of enterprises rose more than 10 percentage points over that of last year's, while the amount of losses of failing enterprises more than doubled. Under these circumstances, how can there be talk of increase of revenues. The state did not give additional burdens to the enterprises. These burdens were brought about primarily by all kinds of apportions, indiscriminate charges and various sponsorships, but their root cause is that some enterprises of very poor quality have to be maintained due to the absence of an elimination mechanism. Therefore, it is necessary to strictly prohibit indiscriminate charges and apportions made to enterprises by all sectors in order to reduce the burdens of the enterprises. In the effort to improve the greater economic environment, the most crucial issue is the establishment of a mechanism to promote competition among enterprises where the best will survive and the mediocre rooted out, and where economic results will be upgraded on the basis of raising the quality of the enterprises. This way, the financial revenue of the state will be guaranteed.

Increasing Revenues and Cutting Expenditures Alone Will Not Solve the Financial Difficulties. The Way Out Lies in Integrating the Guideline of Increasing Revenues and Cutting Expenditures with the Greater Goal of Structural Reform.

The method adopted most frequently to address urgent financial difficulties is the raising of revenues and lowering of expenditures. But this measure should not be applied only on tax receipts and auditing. In fact, doing so has never been very effective in increasing tax receipts and cutting administrative expenditure. The reason is that efforts to increase tax receipts will ultimately be restricted by the degree of economic results, while administrative expenditures are rigid issues. If the guideline of increasing revenues and cutting expenditures were considered alongside the greater goal of structure reforms, then the possibilities for increasing revenues and cutting expenditures will broaden considerably. Since the proportion of the central government's financial income in the national financial income has "gone down" and attempts to raise it are very difficult, the method of shaking away burdens may be used to "remove" this financial expenditure at central level. There are four measures which may be taken into consideration here:

One is to transform, through price readjustments, those departments charged with "bailing out losing enterprises" into departments in charge of profitable enterprises, or at least for them to cease being a financial "burden" of the state.

Two is to get rid as much as possible, the bulk of the burden of price subsidy through price readjustments.

Three is to delegate the authority over assets management of some state and popularly-owned enterprises to the localities. This means turning over to them part of the burden of subsidizing deficits of enterprises and would stimulate their initiative to manage well the enterprises' assets.

Four is to turn over to the localities as much as possible the responsibilities over key local projects related to the infrastructure and capital industries. At the same time, note should be taken to grant the localities more decisionmaking powers over financing and investment of construction projects. Meanwhile, a certain amount of financial assistance or subsidy will still have to be extended to the construction of "national key projects" which cross over provinces and regions.

Summing up, the state can use the opportunity to press for reform of the business management system, rationalize the commodity price relations, remove the bulk of the burden of price subsidy, stimulate market sales, and promote the development of some infrastructure and key industrial departments.

Steel Production Plan Fulfilled Ahead of Schedule

OW0712183190 Beijing XINHUA in English
1544 GMT 7 Dec 90

[Text] Beijing, December 7 (XINHUA)—By December 4, China had produced a total of 61 million tons of steel, hitting the state production quota by 27 days ahead of schedule.

This is due to the preferences the state gave to the raw materials industry and improvement of production facilities since the beginning of this year.

Thanks to economic rectification and readjustment of product mix, output of 11 major varieties of steel products that had been in short supply in the market rose by 23 percent over last year.

The steel output in 1989 was 60 million tons.

Minister of Agriculture Liu Zhongyi Interviewed

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[Report by staff reporters Chen Daibin (7115 1129 2430) and Li Shuzhong (2621 2885 1813): "Understand Comprehensively China's Agriculture and Its Prospects—Liu Zhongyi, Minister of Agriculture, Answers LIAOWANG Reporters' Questions"]

[Text] This year China enjoys bumper harvests in chief farm products such as grain, cotton, and oil. There has been new development in agricultural production and the whole country is filled with joy. How do we come, however, to a comprehensive understanding of China's agriculture? What are the major problems for the development of China's agriculture? What are its prospects? With these questions of common concern, the reporters

arrived at Minister of Agriculture Liu Zhongyi's humble office. He patiently answered all of our questions. The following is the interview edited from the transcript:

Reporters: Minister Liu, since the beginning of this autumn there has been news from all sides about bumper harvests. Could you brief us on this year's agricultural production and the overall situation in agriculture?

Liu Zhongyi: This year's agricultural production has been very good and this is heartening. Chief farm products such as grain, cotton, and oil experienced significant increases on the basis of last year's production increases; especially grain, which we can say is the champion in four aspects. Summer grain topped 200 billion jin which is a record high; early season rice reaped more than 100 billion jin, also a record high; per mu grain yield increased on average by 10 kg, also a record high. Total grain output for the whole year topped 840 billion jin, about 30 billion jin more than 1984, which had been the year with the record high production.

Reporters: What were the chief factors contributing to this year's agricultural bumper harvests?

Liu Zhongyi: There were four chief factors. First, because the whole country, both high and low ranks and all concerned party and government units have attached importance to agriculture. Following years of fluctuations a consensus was formed among high and low levels of the country: If agriculture is to serve as the foundation, then it must be placed at the top of the national economy. Late last year and early this year, party and state leaders repeatedly stressed the importance of agriculture and called on people to gear up for achieving bumper harvests for this year's agriculture. "Raising the temperature for agriculture," as we call it. Localities and all sectors of the national economy throughout the country attached importance to agriculture and strengthened it. This was a very important factor.

Policy stability was another important reason for achieving bumper harvests this year. Practice has proved that the party's various basic rural policies laid down since the Third Plenary Session of the 11th CPC Central Committee and the direction of rural reform over the last decade have been correct, and their results have been outstanding. The common wish of the masses of peasants is policy stability. The party central authorities and State Council based themselves on practical conditions, respected the peasants' wish, and stressed maintaining policy stability and consistency; and on the basis of maintaining stability attempted a gradual improvement. They have not changed the rules at will. This year's bumper harvests have also taught us: The operation and management system which consists principally of the system of contracted responsibilities on a household basis with remuneration linked to output fits, overall, the present level of agricultural production capacity and thus favors and promotes agricultural development. The policy, which concerns the immediate interests of hundreds of millions of peasants and has become a basic

rural institution, must be adhered to for a long time to come and gradually improved. This is most critical for stabilizing the overall situation, people's psychology, and production situation.

Increased input also provided conditions for this year's bumper harvests. According to incomplete statistics, despite the relatively difficult financial condition, this year the state has increased investment in agriculture, while local governments have all considerably increased capital and material inputs in agriculture. According to incomplete statistics, investment in some provinces and cities in agriculture has increased by over 20 percent compared with last year. Much of the required but previously unobtainable materials and capital has become available. Overall, this year's technological and labor inputs in agriculture have significantly increased.

Another contributing factor for this year's bumper harvests—one which we should not neglect—has been the good climate. Except for the summer droughts in a few southern provinces and typhoons along the coastal regions, it has basically been a year of good weather for the crops, and this has been a very favorable objective condition.

Seizing a bumper harvest for this year will be significant for ensuring that social demand be met and for stabilizing the overall situation. I would like to clarify, however, one thing. I have said agricultural production has been very good, or we have had bumper harvests for this year's farm products. But if we take a bird's eye view, and a long one at that, of the agricultural situation, then we will have to consider not only the growth in agricultural output value, the increases and decreases in the production of chief farm products, but also the comprehensive agricultural production capacity, which includes factors such as basic agricultural production conditions, natural disaster-resistance capacity, the capacity and levels of exploiting and making use of natural resources, levels of production technology, logistic and protective conditions, peasants' quality and labor, and production incentive. Therefore, we cannot arrive at a view of the agricultural situation by looking at one or several years' of harvests. Judgments based on one or two years of harvests that agricultural situation is good or a "crisis" has occurred, can describe only part of the picture and are unscientific. For two years—last year and this—grain output has increased. But this can only prove that our country's agriculture has reversed the fluctuations which began in 1985 and does not allow us to think that our country's agriculture will no longer fluctuate. Therefore, we must work harder to maintain and develop such a good trend as "raising the temperature for agriculture," strive to achieve sustained, stable, and coordinated agricultural development, and open a new dimension.

Reporters: Following the bumper harvests, farm product sales everywhere have again become very slow, and there are still various unjustified levies despite repeated

injunctions. Peasants have very strong opinions against this. How in your view should we understand and resolve these problems?

Liu Zhongyi: Whenever there are bumper harvests, we must pay more attention to protecting peasants' interests, for protecting peasants' interests means protecting next year's agricultural production. We should take note of and resolve various "sales difficulties." Cotton selling will not be too difficult; but there are many reasons for the difficulties in grain sales, for example insufficient funds, warehouses and storage conditions, and so on. The state has already set up a special storage system. The problem will receive a better solution when the state and local governments direct their attention and efforts to it.

We should fully understand that the appearance of "difficult grain sales" does not mean we have had too much grain production or that there is too much grain. Although we have a bumper grain harvest this year, this year's per capita grain share is smaller than 1984's. Even if we reached the target of having 1,000 billion jin in grain output by 2000, per capita grain shares against that year's population would only amount to 800 jin, a level far from being well-off or sufficient. We must continue to effectively protect peasants' incentive to grow grain.

As for the problem of peasants' burdens, this indeed is an urgent problem. Things are really too hard for peasants in our country. Peasants have contributed greatly to the construction of the country. Over the last several decades following the liberation, the peasants have saved vast sums of capital with which the state launched industrialization. In the future, our country's all-around social and economic development will still rely on the creative value of the labor of the masses of peasants. At the same time, in matters of macroscopic regulation, we must also gradually help and support peasants to achieve bumper harvests and increased income. This way, it will protect peasants' production incentive as well as ensure coordinated development of economic relations between rural and urban areas, and that between industry and agriculture.

Reporters: We were greatly enlightened by your statement that we cannot evaluate the agricultural situation with one or two years of harvests. Could you tell us the major problems facing China's agriculture at the present stage?

Liu Zhongyi: We should clearly see our agriculture is still lagging far behind developed countries and facing many difficulties and problems. Specifically, there are several major ones.

One, judging from the tasks at hand, our country's agriculture carries a very heavy burden, and increasingly so. Population growth has been persistently high. It is not easy to feed so large a population, and things required for improving people's livelihood must be provided. Industry and the development of the entire national economy are placing increasingly greater demands on farm products. Furthermore, our country's agriculture is

also carrying the important mission of exporting and earning foreign exchange. Farm products or processed products with farm products as the raw materials account for a very large proportion in the country's present export mix. In short, all sides are demanding more products from agriculture. That is why someone has said graphically that the development of our country's agriculture is racing with the population growth rate, the increase of social demand, and time. Agriculture, under such a situation, is swimming against a current: Either it presses on or it is swept away. A year without increased production signifies regress.

Two, the infrastructure condition of agricultural development must still be gradually strengthened. Although production has increased over the last few years, there have not been any significant improvements in basic production conditions. Some aspects in some localities have even been weakened. Such a situation of insufficient reserve strength has become quite noticeable. If nothing is done about it, things can hardly improve. For instance, areas appropriate for cultivation have on average been decreasing by millions of mu over these last few years, whereas the population has been increasing at a rate of 15 million per year. Farmland capital construction, especially the capacity of dredging and irrigation facilities and rivers' flood-preventative capacity have all been weakened by natural or man-made factors. Such a situation is highly incongruent with our country's demand for rapid agricultural development in the 1990's. Moreover, in our country's agro-industry, the chemical fertilizer industry is still based on the 13 large-scale chemical fertilizer conglomerates built in the late 1960's and early 1970's. There has been some expansion on this basis, although all on a small scale. If the 1990's agriculture is to progress to a new dimension, it is absolutely necessary to have sufficient chemical fertilizer production. As for the rest of agro-industry, basically no large-scale projects have been undertaken over the last 20 years. The work awaiting us in this area for the next decade is rather urgent.

Third, there are still many negative elements in the present economic mechanism and external environment through which agriculture realizes its development. Our country's reform started with agriculture, and has scored world-renowned achievements and promoted reform in the entire national economy. As reform in the entire economic structure got underway, however, new incongruities have appeared in industrial and agricultural relations and in those between rural and urban areas. These are chiefly shown in the overly heavy burdens of social and economic demands on agriculture, and the insufficient benefits it has been able to receive from social and economic development. The agricultural sector must not only provide society with grain, cotton, and various agriculture and sideline products at lower prices, but has also taken up, in effect, such heavy tasks as flood-preventative river works, urban and industrial water supply, afforestation throughout the country, and soil consolidation. In terms of agricultural production,

because prices of necessary agricultural production factors are high and those of primary agriculture and sideline products are low, the problem of "farming being at a disadvantage"—particularly for grain and cotton peasants—is becoming increasingly more serious. In the areas of forestry and water conservancy, the state, localities, and peasants spend a considerable part of their limited annual savings on social construction. These inputs have not received any corresponding compensation. Such an economic operation mechanism has turned agriculture, as one of the economic sectors, into one with much input and little compensation, thus seriously hampering its self-development capacity.

Furthermore, after rural reform has deepened, the solution of many of the problems has gone beyond the power of rural areas. In realms such as circulation and socialized services many new problems and conditions have appeared and require centralized arrangements in an overall national economic plan.

Reporters: China's agricultural production is indeed facing many problems. What are the next important measures if agriculture is to progress into a new stage and fulfill the development projects demanded by the state?

Liu Zhongyi: Comrade Jiang Zemin has said that the next decade will be a key period for our country's economic development. This holds true for our country's agriculture as well. During the next decade, agriculture must resume, strengthen, and develop infrastructure construction, ensure annually growing supplies and lay a foundation for gradually realizing agricultural modernization in the next century. Its burden is heavy and its road long. During the next step we will grasp three big undertakings:

One, strengthening farmland infrastructure construction and treatment of large rivers. Farmland infrastructure construction is a large "chapter," embracing revitalizing and remedying water conservancy, improving farmlands and soil, waterway treatment, tree planting, afforestation and soil conservation, and so on. Experience shows that the infrastructure construction of farmland water conservancy plays a decisive role in our country's agricultural development. Judging from our country's present situation, there is very great potential in this aspect. For example, in the area of farmland and soil improvement, at present two thirds of our country's farmland are of the middle- to low-yield category. If we go about the transformation job in a down-to-earth manner, the per-mu yield of this farmland can be significantly increased. In the future we must make great efforts to grasp the capital construction of farmland water conservancy. We must be prepared to do it in a down-to-earth manner for years on end, and thus will fundamentally change the basic conditions of our country's agricultural production. This is a good thing whose fruits will benefit thousands of future generations. It is one capital construction to which we should give sufficient attention. We should make great efforts and strengthen leadership for this task.

Two, speed up the development of agro-industry. In recent years there has been some growth in our country's agro-industry and some quantitative and qualitative improvement in chemical fertilizers, farm machinery, and farm chemicals, but it is far from meeting the practical needs of agricultural development. Estimates based on many years of field data shows that, for every increase of 100 billion jin of grain, an additional 15 million tons of chemical fertilizer input, 50 million-horsepower farming machinery impetus, 1.3 million tons of diesel oil, 10 billion kilowatt hours of electricity, and corresponding amounts of farm chemicals and farm plastic products are required. In the next few years, the state will expand investment in agro-industry, build and expand a number of agro-industrial production enterprises to alleviate the demand-supply contradiction in agricultural production factors.

The above two can be described as tangible conditions. There is one more, namely technology with which to revitalize agriculture—the "intangible condition." At present, if our country's agriculture is to progress to a new stage, it must rely on science and technology and transform as much and as fast as possible the potential production forces of science and technology into actual ones and hence social wealth. The Ministry of Agriculture has designated this year as the "Year of Science and Technology," which has played a role in propaganda and promotion, unleashed scientific and technological personnel's motivation and creativity, and fostered a passion among the masses for science and new technology. Viewed as a whole, however, science and technology in rural areas is still at a initial stage where it is laboring to make a start. From now on, on the basis of the present achievements and through state and local governments' support and organizations, we have to gradually create a nationwide, multi-disciplinary and multi-tier agricultural scientific and technological work system charged with the combined duty of scientific research, extension, service, and training; vigorously develop mass organizations with which to popularize agricultural science, which, in time, will become an effective assistance to research into, and the extension and application of agricultural production technology, and to propagandizing scientific knowledge and providing training to key peasant technicians. Furthermore, in the future when opening up or constructing various types of agricultural production bases, the state and localities can consider assigning, based on types of projects, regions, or special categories, missions to scientific and technological research units and extension units in a contract form. They may also consider allowing substantially powerful agricultural units for scientific and technological extension and service units to exercise their technological advantage and to establish economic entities under local governments' organization and leadership.

Reporters: We are only 10 years away from 2000. While celebrating the bumper harvests, people are worried and doubtful about the prospect of our country's agricultural development. Could you tell us your view on the prospect of agricultural development?

Liu Zhongyi: I am optimistic about the prospect of China's agricultural development. We will rely the excellent socialist system, the peasants' spirit of the master of the country and their production incentive as unleashed by reform, and the daily developing agricultural scientific and technological power and give full play to our country's potential. China's agriculture will have a bright future, but we must not be blindly optimistic. Because, as I have mentioned, our country's agriculture still has many problems and difficulties. Following last year's and this year's bumper harvests, I think it is extremely necessary to pay attention to the following two points: We should not lower our guard or be carried away by success.

When I warn against lowering our guard, I mean that we must not, on the basis of one or two years' of bumper harvests, think that our country's agriculture has ridden out difficulty and problems have all been solved and thus relax our efforts in agriculture. In that case problems may very possibly occur in agriculture again. By warning against being carried away by success, I mean primarily that we must keep our heads clear before bumper harvests and must not make reckless proposals and initiate "new tricks." To reach the planned targets by 2000, I believe that the main thing is maintain stability in agriculture and rural areas, and in two areas we must remain absolutely unchanged: The guiding thought that agriculture remains the foundation and economic arrangements will be made according to the order of agriculture, light industry and heavy industry, will remain unchanged. Agriculture must keep "rising in temperature." The second area is that various basic party policies in rural areas must remain unchanged. We must continue to handle the system of contracted household responsibility related to output according to the guiding thought which the party central authorities and State Council have repeatedly and explicitly put forward, namely the system must be adhered to and remain stable on a long-term basis, and to be gradually perfected along with expanding production forces. If we adhere to these two principles, and people of the whole country, from different trades and sectors, pool efforts, seek truth from

facts, proceed in a down-to-earth manner, work hard and in a practical manner and follow in order and advance step by step, then there will be plenty of scope for our country's agricultural development.

Provinces Pledge To Up Agricultural Investment

OW0712184890 Beijing XINHUA in English
1520 GMT 7 Dec 90

[Text] Beijing, December 7 (XINHUA)—Sichuan and Shaanxi Provinces and the Inner Mongolia Autonomous Region plan to increase inputs to agriculture next year to ensure continued good harvests.

Sichuan Province, China's major grain production base, recorded a record harvest this year in spite of heavy flooding in the west and a drought in the east. The province plans to improve its inputs to agriculture in agricultural technology, materials supply and labor supply.

"PEOPLE'S DAILY" reported today that local governments recognize that initiating improvements in the proper use of chemical fertilizers will result in higher grain yields amounting to millions of tons each year.

The daily says that since the beginning of winter Shaanxi Province has organized over 388 million rural residents to work in water control projects. The province is constructing water control projects in an attempt to enhance its capacity to reduce the effects of natural disasters, especially drought.

Inner Mongolia achieved records in grain production and animal husbandry this year. The grain yield was 2.38 billion kg more than the previous all-time high, and the number of domestic animals exceeded 47 million head.

The region plans to continue along the road of ecological farming by promoting co-ordinated development in agriculture, afforestation and animal husbandry. At present, according to "PEOPLE'S DAILY", local farmers are engaged in the construction of irrigation projects.

East Region

Anhui Expected To Fulfill 7th Five-Year Plan

*OW0712194590 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 3 Dec 90*

[From the "Provincial Hookup" program]

[Text] Under the leadership of the provincial party committee and government, our province is expected to fulfill or even overfulfill the main economic targets established in the Seventh Five-Year Plan. Initial estimates by the provincial Statistical Bureau show that during the Seventh Five-Year Plan, the province's gross product, income, and total value of industrial and agricultural production all reached or surpassed the projected targets. During the first four years, the gross product grew at an average annual rate of 62 percent. The amount of increase each year averaged 6.5 billion yuan, exceeding the average annual growth of 3.5 billion yuan during the Sixth Five-Year Plan.

During these five years, our province scored an average annual industrial growth of roughly 12.6 percent. As for agricultural production, the average annual growth rate was 2.8 percent. Most industrial and agricultural production targets of the Seventh Five-Year Plan can be met. Actual output of over a dozen industrial products, including pig iron, soda ash, television sets, and bicycles, met the set targets a year ahead of schedule. Of the 10 kinds of staple farm produce selected for statistical purposes, most show an output meeting the projected targets, while their combined total production far exceeded the figure for the Sixth Five-Year Plan.

During the first four years of the Seventh Five-Year Plan, the amount of fixed investment in our province increased by an average of 9.1 percent annually. Such investment increased our province's productive capacity to a considerable extent.

In addition, the Seventh Five-Year Plan has seen a brisk market condition in both urban and rural areas, with total retail sales growing at an average rate of about 13.8 percent annually.

Meanwhile, continued efforts have been made to quicken the pace of opening to the outside world. During the first four years of the Seventh Five-Year Plan, our province's annual export volume increased at an average rate of 11.3 percent. Moreover, the use of foreign capital has continued to expand, with direct investment by foreign businessmen climbing considerably.

The living standards in urban and rural areas have further improved. In 1990, the income urban and rural dwellers are using for living expenses is estimated at an average 1,216 yuan per capita, or 1.1 times more than in 1985. The average per-capita net income for peasants has also shown a remarkable rise during these five years. Economic development has not only helped solve the

food and clothing problems for the vast majority of the people in our province, but it also has enabled them to have a sizable surplus.

Our province has scored considerable achievements in developing its economy during the Seventh Five-Year Plan. Because of the replacement of the old system by the new, and for some other reasons, however, a series of problems arose during the Seventh Five-Year Plan, including fluctuations in economic growth, relatively quickly rising prices, and a decline in economic returns. These problems must be resolved during the Eighth Five-Year Plan to achieve sustained and stable economic development.

Lu Rongjing Inspects Counties Along Huaihe River

*OW0712203490 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 6 Dec 90*

[From the "Provincial Hookup" program]

[Excerpts] In the second half of November and the early part of December, provincial party Secretary Lu Rongjing led responsible cadres from several departments directly under the provincial government on an 11-day inspection tour of Fengtai, Shouxian, Huoqiu, Yingshang, Punan, and other counties along the Huaihe River. Lu Rongjing fully affirmed the results achieved by the cadres and the masses of these counties in harnessing the Huaihe River. He called on the people along the river to persist in bringing to play the spirit of harnessing the river in unity, working hard in the pioneering job, waging hard struggles, and having the determination to eradicate poverty. He urged them to consolidate results already obtained and to accelerate steps to eradicate poverty.

The area of our province along the Huaihe River is best known as a poverty-stricken and disaster-plagued area. [passage omitted]

Although the CPC Central Committee and the State Council have shown heartfelt concern and lent strong support, the problem of feeding and clothing the masses was long not resolved because of the extremely weak economic foundation of the area.

Since the 11th session of the third plenary session of the party Central Committee, and especially in the past few years, under the leadership of party committees and governments at all levels, and with the support of the Huaihe committee, people along the Huaihe River carried out a large-scale project to comprehensively harness the Huaihe River. [passage omitted]

At the same time that the people were harnessing the river, the counties also broke away from traditional methods of cultivation. Suiting measures to local conditions, they adjusted the industrial mix [words indistinct]. These led to a healthy increase in grain production and the

smooth take-off of development-type agriculture. As a result, food and clothing problems were resolved in a preliminary way.

Lu Rongjing visited cadres and masses working hard at the irrigation work site and peasant families, and inspected county-run industrial enterprises and village and town enterprises. He also held discussions with cadres at all levels and the masses. [passage omitted]

During the inspection, Lu Rongjing showed great concern over the development of village and town enterprises and county-run industrial enterprises along the Huaihe River. He pointed out that, because the economic development along the river is now at a crucial turning point, other avenues must be further exploited to appropriately handle the present situation of "long on agriculture, short on industry," to seek ways to make the people and the county wealthy, and to accelerate the development of village and town enterprises and county-run industrial enterprises.

Lu Rongjing enthusiastically inspected some village and town enterprises and county-run industrial enterprises and inquired into details of production, management, and supervision and other aspects. He encouraged them boldly to go out and try all means to market their products, improve product quality and standards, and work hard to enhance the reputation of their products. Factory directors must learn how to sell their products on the market. Those who do not know how to do so are not qualified factory directors. He emphasized that enterprises must focus on economic efficiency, strengthen management, run the factory in a strict manner, and pay attention to strengthening their ability to accumulate funds for expansion. [passage omitted]

"The masses are the real heroes and leadership is the key." This was the view repeatedly stressed by Lu Rongjing during the inspection. The big change in outlook along the Huaihe River comes from the hard struggle of millions of people and is the result of the blood and sweat of cadres at all levels. Wherever he went, Lu Rongjing had a heart-to-heart talk with the local cadres and expressed solicitude. He emphatically pointed out that the key to eradicating poverty and leading the masses to a comfortable life lies in strengthening the construction of grass-roots party organs in rural areas. We must have a good leading group and a good leader. A leading group's spiritual outlook and work style are of crucial importance. Strengthening construction of grass-roots party organs in rural areas is a basic guarantee for doing a good job in various rural area works. [passage omitted]

At the conclusion of his inspection, Lu Rongjing said with full confidence that, after many years of hard struggle, economic development along the Huaihe River is now finally seeing the light at the end of the tunnel. There is still, however, sizable poverty in areas along the river. Its ability to defend itself against natural disasters is still weak. There are still some large-scale backbone

projects that have not been started, while supporting projects need to be improved further. Therefore, he said, as long as we treasure the present opportunity before us, earnestly strengthen the party's leadership, unswervingly rely on the masses, uphold the spirit of fearing no difficulties or hardship, continue to wage struggle, and march forward courageously, we will be able to quicken the pace of eradicating poverty along the Huaihe River.

Zhu Rongji Reports on Shanghai Housing Reform

*OW1012070090 Shanghai City Service in Mandarin
2300 GMT 7 Dec 90*

[From the "Morning News" program]

[Text] A housing reform mobilization meeting was recently held by the Shanghai Municipal Party Committee and the municipal government. While delivering a report at the meeting, Zhu Rongji, secretary of the municipal party committee and mayor, pointed out emphatically: Deepening the reform is the fundamental method of overcoming difficulties, developing the economy, and invigorating Shanghai. Reform of the housing system is an important part of deepening the reform in Shanghai, because such a reform concerns the vital interests of the Shanghai residents and because it will lead the way to the smooth formulation of other reform measures in Shanghai in the days to come. We should take housing reform seriously and ensure its success by relying on the masses.

In his report, Zhu Rongji first specifically analyzed Shanghai's current political and economic situation. He pointed out: Shanghai's situation is stable, economic improvement and rectification has yielded results, and the economy is developing soundly. At present, what requires our attention is to have a sufficient understanding of the grim side of the economic situation and to be mentally prepared for the difficulties we are facing.

He said: The method of overcoming the present difficulties is to deepen the reform, readjust structures, start up the market, and boost production.

Zhu Rongji said: Shanghai has made marked achievements in housing construction in the past 40 years. Particularly since the Third Plenary Session of the party's 11th Central Committee, there has been rapid advancement in housing construction in Shanghai. Housing units built from 1979 to 1989 were equivalent to 2.4 times the total number of housing units built during the past 30 years. They were distributed to 830,000 Shanghai households. Nevertheless, the municipality's housing difficulty is still most prominent throughout the country. In the past two years in particular, because of the financial difficulties suffered by various localities and the rise in financial losses suffered by enterprises due to the decline in economic efficiency, housing construction in Shanghai has been slowed down due to a shortage of funds, thereby also slowing down our effort to resolve the housing problem. If this situation is allowed to continue, we will find ourselves in a more

difficult position because we will actually find ourselves in a plight in which a new debt is incurred before the old one is paid off. Therefore, the time has come when Shanghai's housing problem must be solved at all costs. The best way to accelerate the solution of this problem is to move ahead with housing reform.

At the meeting, Zhu Rongji briefed the participants on the draft program for housing reform in Shanghai Municipality. He said: The fundamental principle for housing reform in Shanghai is to gradually commercialize housing units; help individuals acquire houses; change the system by which rent is low and housing units are distributed with no compensation at all; set up a mechanism by which the state, the collective, and the individuals pool funds for the construction of housing; change the method of building housing units solely undertaken by the state and the collective; establish just and authoritative housing administrative organs; and do away with malpractices in housing distribution. The specific program for housing reform in Shanghai is encouraging the use of public funds, issuing housing subsidies to help pay for rent, requiring those who live in government houses to buy treasury bonds, giving preferential treatment to those who buy houses, and setting up housing committees.

Zhu Rongji said: Shanghai's housing reform program has been repeatedly discussed in the past year and more. This program has solicited opinions from all circles, absorbed both domestic and foreign experiences in solving housing problems, and taken in account the residents' mentality and economic capability. Therefore, it is feasible.

He said: We should explain clearly to the people that after a new housing system is in effect, the state and the collective still have to use a great amount, or even a greater amount, of funds for housing construction. Residents also use a part of their money for housing construction by contributing to a public fund and buying treasury bonds. Although the money obtained in this way is only a small proportion of the housing construction fund as a whole, it can also help alleviate the financial difficulty of the government, accelerate housing construction, and gradually realize housing commercialization. Implementation of this program will also help us overcome the present difficulty caused by a sluggish market in Shanghai, boost production, and advance Shanghai's economic development. Development of the housing industry will lead to the development of many related industries. Economic development will enable staff members and workers to earn higher incomes. The final beneficiaries are still the masses themselves.

Zhu Rongji pointed out: Housing reform is a reform that affects many sectors. It cannot be done well without the understanding and support of the people. All units should take it seriously and do a good job in organizing people to discuss the reform program. They should earnestly listen to and adopt the rational opinions and

suggestions put forward by the masses during discussions. Discussion can improve the reform program, change ideas, and unify understanding.

Zhu Rongji said: Shanghai is drawing up the Eighth Five-Year Plan and a 10-year plan. During the Eighth Five-Year Plan, we should launch a large scale construction of transport and urban infrastructural facilities by mobilizing our resources. We should strive to basically solve, in five to 10 years, the problems of transport, housing, heating gas, and vegetables, the solution of which the people of Shanghai have urgently hoped for. Once these problems are solved, the residents of Shanghai will work more enthusiastically to take part in the grand cause of invigorating Shanghai and will make new contributions to building Shanghai into a better city.

Zhu Rongji called on leaders of all levels in the municipality to improve their work style, make investigations and studies at grass-roots units, show concern for the living conditions of the masses, and help grass-roots units solve practical problems. Leaders at all levels should adopt effective measures to make good arrangements for industrial and agricultural production for this winter and next spring; they should do a good job in promoting sales, preventing overstocking of commodities, and ensuring fair year-end distribution of income in rural areas; and they should strive to fulfill this year's work and create good conditions for work next year.

At the meeting, Wu Bangguo, deputy secretary of the municipal party committee, made arrangements for a few important tasks to be carried out this winter and spring. He said: It is necessary to continue to ensure social stability, do a good job in registering party members from start to finish, make vigorous efforts to curb malpractices in various trades, strengthen the building of village organizations in rural areas, successfully organize people to discuss the housing reform program, and disseminate and implement the guidelines of the national conferences.

Leading Comrades Chen Zhili, Ni Hongfu, Mao Jingquan, Zhao Qizheng, Liu Jingji, Ye Shuhua, Li Jiahao, Liu Zhenyuan, Ni Tianzeng, Xie Lijuan, Xie Xide, Xu Yifang, Zheng Lizhi, and Zhao Xianchu attended the meeting.

Also attending the meeting were responsible comrades from the municipal Higher People's Court, Higher People's Procuratorate, various democratic parties, mass organizations, military units stationed in Shanghai, various country and district departments, as well as comrades from some large enterprises.

Li Zemin Attends Economic Discussion Meeting

OW0912064490 Hangzhou ZHEJIANG RIBAO
in Chinese 24 Nov 90 p 1

[Text] The provincial party committee invited the responsible persons of the various democratic parties, the All-China Federation of Industry and Commerce,

and figures without party affiliation to a discussion meeting yesterday afternoon. Sitting in the circle together with the attending non-CPC figures, Li Zemin, secretary of the provincial party committee, and Ge Hongsheng, deputy secretary of the provincial party committee and acting governor, attentively listened to their views and suggestions on questions of economic and social development in the province.

Li Zemin presided over the discussion meeting. Those invited to attend and make speeches at the meeting were Sun Yannian, Zhang Kejian, Sun Shuyuan, Wang Qidong, Chen Dazhong, Zhang Shichang, Zhan Shaowen, Mao Zhaoxi, Ye Liyang, Wang Xixuan, Zhu Zuxiang, Niu Shouzhang, Xu Zhichun, Li Yuhua, Wang Chengxu, Chen Li, and Tang Yuanbing. They expressed views and put forward suggestions on the questions of drawing lessons from the experiences in economic development, reform, and opening to the outside world with a view to improving leadership in economic work; of intensifying the development of basic industries, such as agriculture, and infrastructure; of advancing science, technology, and management expertise to transform and revamp the existing processing industries and ensure that economic and social development will proceed in a coordinated manner; of attaching importance to education, science, and technology; of making policy decisions in a democratic and scientific way; of enhancing the quality of cadres; and of reinforcing the building of spiritual civilization and clean government. They all indicated that they were prepared to contribute their best to Zhejiang Province's economic and social development by positively forwarding plans and strategies in the spirit of "treating each other with all sincerity and sharing weal and woe."

Li Zemin and Ge Hongsheng conscientiously listened to their views, jotting down the main points every now and then, and said that they approved of their views. During the discussion meeting, participants took the floor one after another, exchanging views and discussing problems in a cordial and enthusiastic atmosphere.

Toward the end of the discussion, Li Zemin said: The views expressed and the proposals put forward by you just now are fine and sincere; some of them have hit the nail on the head and will be very helpful to the provincial party committee and the provincial people's government in their efforts to rectify the guiding ideology for economic work, to straighten out the train of thought for future economic and social development, and to formulate plans. The provincial party committee and the provincial people's government will take your views and suggestions seriously in order to improve their work.

Responsible persons from the various departments of the provincial party committee and the provincial people's government, including Wu Yaomin, also attended the discussion meeting.

Central-South Region

Guangdong Secretary Stresses Publicizing Law

HK0812081990 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 6 Dec 90

[Text] This morning, the provincial party committee and provincial government commended in the provincial party committee auditorium some advanced collectives and individuals engaged in the work of publicizing law. They called on all citizens of Guangdong to continue to study legal knowledge, deepen legal system propaganda and education, and place the management of all undertakings within the orbit of law.

A total of 332 advanced collectives, including the provincial radio and television department, and 521 advanced individuals were commended at the meeting.

At this morning's commendation meeting, provincial party committee Secretary and People's Congress Standing Committee Chairman Lin Ruo spoke.

Lin Ruo stressed: The province-wide work of publicizing law should go hand in hand with ethical and law education and should focus on strengthening education among students and juveniles. On the basis of strengthening law and ethical and discipline education, all trades and professions should enlarge the scope of law education, raise law education to a new level, gradually place all types of work within the orbit of law, reduce disputes and crimes to a minimum, and ensure nationwide long-term security and stability through in-depth law education.

Six Drug Traffickers Executed in Guangzhou

HK0912030490 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 8 Dec 90

[Text] Guangzhou City this morning held a rally on banning drugs. The Guangzhou City Intermediate People's Court pronounced death sentences on He Dawei and five other drug traffickers in accordance with the law. The six criminals were executed with a bullet to the head. The court also pronounced preliminary-trial, death, life imprisonment, and prison sentences on another 13 drug traffickers and drug addicts.

The six criminals executed today were primary culprits in some major drug trafficking cases cracked by Guangzhou City's public security organs between August 1988 and November 1989.

He Dawei, a man from Hong Kong, purchased 16.6 kilograms of opium and 2,350 kilograms of heroin from Tan Bingwei, Chen Shiyi, and Lin Shiyong, who were drug pushers, in Guangzhou City between April 1987 and September 1988. He was found and arrested by the public security organ while he was taking the opium and heroin to Hong Kong. The city court today sentenced He Dawei to death and executed him in accordance with the law.

Hu Guohao, an unemployed drug addict in Guangzhou, showed no sign of repentance after being forced to quit using drugs. To continue to use drugs, he sold his household property. Later, in collaboration with Huang Jinhua, he stole things from others to purchase heroin. Guangzhou's Haizhu District People's Court sentenced Hu Guohao to seven years' imprisonment on a charge of larceny at preliminary trial.

At the rally on banning drugs, Acting Mayor Li Ziliu pointed out: Not a few drug traffickers and criminals are people from Hong Kong and Macao. They collaborate with some lawless elements in the hinterland in trafficking drugs and carrying out other criminal activities.

Li Ziliu stressed: Taking and trafficking drugs is a serious crime which not only harms people's health but also gives rise to such serious crimes as larceny, robbery, murder, smuggling, and so on, thus posing a serious threat to social order. Therefore, it is necessary to resolutely crack down on such criminal activities as drug trafficking and drug taking. We must not allow drug trafficking and drug taking activities of lawless elements at home and abroad to continue unabated.

Henan Secretary Views Discipline Inspection Work

HK0812053790 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 5 Dec 90

[Text] Yesterday afternoon, Hou Zongbin, provincial party committee secretary; Lin Yinghai, deputy secretary and provincial Discipline Inspection Commission secretary; and (Li Ming), provincial Advisory Committee vice chairman, met in Zhengzhou with our province's 17 deputies who had just returned from the national conference on commending advanced discipline inspection organizations and excellent discipline inspection cadres.

Luoyang City and Shangcheng County Discipline Inspection Commissions and 15 individuals, including (Hu Yubin), secretary of Zhengzhou's Zhongyuan District Discipline Inspection Commission, and others, were commended at the national conference.

On behalf of the provincial party committee, Hou Zongbin extended warm congratulations to the deputies and fully affirmed the large amount of fruitful work done by more than 7,000 discipline inspection organizations and more than 16,000 full-time discipline inspection cadres in our province. Meanwhile, he also expressed the following three-point hope on the party organizations at all levels and the broad masses of party members and discipline inspection cadres across the province:

1. To practically heighten understanding of the importance, urgency, and protractedness of the work of strengthening party building, ideological and political work, party style building, party discipline building, and clean-government building; consciously and unswervingly adhere to the principle of grasping two aspects at

the same time; and carry out work in a down-to-earth manner in order to achieve tangible results and win the trust of the people.

2. Discipline inspection work should aim not only at penalizing corruption but also at protecting people engaged in four-modernizations building and pioneering work, should serve the party's basic line, and should serve Henan's development by uniting people and enabling people to make concerted efforts in this regard.

3. Discipline inspection organs at all levels and the broad masses of discipline inspection cadres should continue to strengthen cooperation with the departments concerned; actively assist party committees at all levels to promote party organization building, party style building, party discipline building, and honest government building in local areas and units; and make greater contributions to the attainment of the goals put forward by the fifth provincial party congress.

Hunan Forum To Summarize People's Congress Work

HK0712142290 Changsha Hunan Provincial Service in Mandarin 2300 GMT 5 Dec 90

[Excerpts] A provincial forum to summarize the people's congress work over the last 10 years opened in Changsha yesterday morning.

Liu Fusheng, chairman of the provincial people's congress; Vice Chairmen Huang Daoqi; (Li Chengdun); Cao Wenju; Liu Yue; Wu Yunchang; and others attended the meeting.

Sun Wensheng, deputy secretary of the provincial party committee; and Dong Zhiwen, member of the provincial party committee standing committee and executive vice governor, were also present. [passage omitted]

The meeting participants happily gathered under the same roof and talked freely about the achievements scored and experiences gained by people's congresses across the province over the last 10 years.

Comrade Liu Fusheng chaired the meeting. At the request of the meeting of provincial people's congress chairmen, Huang Daoqi read the summary report on the work done by the provincial people's congress over the last 10 years prepared by the provincial people's congress and its standing committee.

This report points out: Over the last 10 years, the provincial people's congress and its standing committee have enacted 44 local statutes; approved 11 local statutes and autonomy regulations; heard and deliberated 170 work reports presented by the provincial people's government, higher people's court, and people's procuratorate; elected 200 state personnel; appointed and dismissed, or approved to appoint and dismiss, 1,700 state cadres; and taken up 14,000 motions, suggestions, and opinions from delegates. Practice of the last 10 years has proved that we have succeeded in promoting economic construction, reform, and opening; developing socialist

democracy and legality; maintaining sustained political and social stability; and building clean and honest government by giving play to the role of the provincial people's congress and its standing committee.

The same practice has also proved that we must constantly deepen our understanding of the importance of persisting in and perfecting the system of the people's congress before local people's congresses can play their due role. Local people's congresses must take maintaining close ties with the people as the core of their work, strengthen themselves politically and organizationally, and uphold the party leadership. [passage omitted]

Xiong Qingquan on Congress Work

HK1012101490 Changsha Hunan Provincial Service
in Mandarin 2300 GMT 8 Dec 90

[Excerpt] The provincial forum aimed at summing up our decade-long people's congress work concluded in Changsha yesterday.

Xiong Qingquan, provincial party committee secretary; Liu Fusheng, provincial people's congress Standing Committee chairman; and Dong Zhiwen, provincial party committee Standing Committee member and executive provincial vice governor, delivered speeches at the forum in turn.

Comrade Xiong Qingquan, on behalf of the provincial party committee, fully affirmed the achievements of our province's people's congress work over the past decade and expressed the hope that all comrades concerned will further unify ideology, heighten understanding, sum up experiences, develop achievements, and further improve our province's people's congress work after the forum. He expressed a three-point view on our provincial people's congress work in the future:

1. To further heighten understanding of the necessity of adhering to and perfecting the people's congress system.
2. People's congresses and their standing committees at all levels should adhere to economic construction as the center; better develop their respective functions and roles; strengthen their legislation and supervision functions in a down-to-earth manner; assist the government in furthering improvement and rectification, readjusting economic structure, increasing economic results, and pushing ahead with reform and opening up; and should strive to fulfill the tasks and attain the goals put forward by the sixth provincial party congress;
3. To further strengthen party leadership over people's congress work and properly handle relations between strengthening party leadership on the one hand and supporting people's congress to exercise their powers and fulfill their duties in accordance with the law on the other.

On behalf of the provincial government, Vice Governor Dong Zhiwen stressed: Various departments of the provincial people's government must further strengthen the public servant concept and the party discipline concept, consciously accept supervision of the people's congress Standing Committee, and carry out work in a down-to-earth manner.

In his speech, Chairman Liu Fusheng called on people's congresses and their standing committees at all levels to consciously develop their initiative and creativeness and strive to push people's congress work to a new level.

Yesterday's forum was presided over by Huang Daoqi, provincial people's congress Standing Committee vice chairman. [passage omitted]

New Experimental Development Zone Seen in Hunan

OW0812121790 Beijing XINHUA in English
1045 GMT 8 Dec 90

[Text] Changsha, December 8 (XINHUA)—The State Council recently approved Huaihua Prefecture in central China's Hunan Province as an experimental zone of comprehensive development and reform for the country's mountainous areas.

The prefecture was first listed as an experimental zone of rural reform in mountainous areas by the provincial government in 1988.

Huaihua has achieved notable success in developing its production in the past two years. The prefecture has planted trees on 200,000 hectares, and has developed and improved 14,000 hectares of farmland to be used for fruit trees.

Last year the prefecture increased total agricultural production value by 12.1 percent over 1988, grain output by 23.8 percent and per capita income by 8.9 percent.

Based on the prefecture's achievements and experience during the past two years, the central government approved it as a national experimental zone whose purpose is to further investigate the effect of economic development in China's mountainous areas.

Shenzhen Mayor Plans 'Personal' Hong Kong Visit

HK0812015790 Hong Kong SOUTH CHINA
MORNING POST in English 8 Dec 90 p 10

[By Daniel Kwan]

[Text] The Mayor of Shenzhen, Mr Zheng Liangyu, will soon pay a "personal" visit to Hong Kong, despite reports that his official trip might have to be postponed.

Mr Zheng said in a press conference in Shenzhen late last month that he was preparing to visit Hong Kong this month—his first visit since he was appointed the mayor of the Special Economic Zone [SEZ] last June.

Officials from both Hong Kong and Shenzhen have called for more frequent exchanges as both sides will soon carry out extensive infrastructure development for their cities.

Economists have warned that the lack of communication between Shenzhen and Hong Kong would lead to unnecessary competition and wastage of resources.

A spokesman for the Shenzhen Government said yesterday that Mr Zheng would not be able to visit Hong Kong in the near future and his visit would be postponed until early next year.

However, informed sources said Mr Zheng might attend a cocktail reception hosted by Shenzhen's official arm here, Shum Hip Holdings, in a Tsim Sha Tsui hotel next Wednesday.

The source said Mr Zheng will be in town "to thank Hong Kong businessmen and friends for their support to the SEZ in the past decade".

But Mr Zheng would not be able to officiate at an exhibition in the territory also organised by Shum Yip next week because he will have to attend a crucial party conference in Shenzhen from December 14 to 18.

This was confirmed by the semi-official CHINA NEWS SERVICE which reported yesterday the conference would be held to elect "membership for the first committee of the Shenzhen Communist Party."

The report also confirmed that Mr Wang Zhongfu, former party chief of Changsha in Hunan Province, has been appointed a member of the Standing Committee of the Communist Party in Shenzhen.

Also confirmed was the appointment of Mr Li Youwei, former vice-governor of Hebei Province, to be the preparatory team leader of the first legislature, the People's Congress, in Shenzhen replacing vice-mayor, Mr Zhou Xiwu.

Their appointments have paved the way for Mr Zheng's promotion to be the next party boss of Shenzhen.

It is believed that Mr Wang will then succeed Mr Zheng to be the next mayor.

Other personnel changes are believed to include Mr Zhou who will be appointed head of the political advisory body, People's Political Consultative Conference, which will be formed immediately after next week's conference.

Incumbent Shenzhen party boss Mr Li Hao will be transferred to a senior posting in Shanghai, or in provinces of Jiangsu or Guangdong.

Shenzhen, which is only an hour's train ride from Hong Kong, has grown from a small agrarian town near the border to become the second-largest exporter in China after Shanghai in the past decade.

Analysts said Shenzhen's rise from oblivion was largely the result of the economic reform policies pioneered by patriarch Mr Deng Xiaoping and his protege, former communist party boss Mr Zhao Ziyang.

But since the downfall of Mr Zhao last year, the SEZs, particularly Shenzhen, have been under attack from conservative planners who wanted to change the special status of the zones.

Southwest Region

'Several' Killed in 7 Dec Chengdu Bus Explosion

HK0812034090 Hong Kong MING PAO in Chinese
8 Dec 90 p 2

[Text] According to MING PAO sources and reports by some foreign news agencies, a serious bus explosion occurred yesterday in Chengdu, capital of Sichuan Province. Several people were killed in the accident.

The Chengdu City Public Security Department refused to confirm the accident, but some Chengdu residents said that the explosion occurred on Renmin Road, South, near the center of the city at about 1630 local time (0830 GMT). The bus, full of passengers, was passing a huge statue of Mao Zedong when the explosion occurred within. At least four to 10 people were killed on the spot.

According to a self-employed shopkeeper near the scene of the accident, a big hole was blasted in the bus, which overturned by the side of the 15-meter-high statue of Mao Zedong.

A foreign tourist said that after the accident occurred, the police rapidly cordoned off the scene. Ambulances whizzed to and fro and the chaos showed that there were serious casualties.

The Chinese official mass media did not mention a single word about the accident and the Chengdu City Public Security Bureau refused to confirm the occurrence of the explosion. However, the spokesman for the Chengdu-No. 1 Hospital said that injured people from an unidentified accident were receiving emergency treatment.

So far, the nature of the accident still cannot be ascertained, but people in diplomatic circles conjecture that the accident might be related to last year's suppression of the prodemocracy movement, or it might have been caused by some people who hated Mao Zedong, because the bus was blasted alongside Mao's statue.

Explosion Caused by 'Bomb'

OW0812172590 Moscow International Service
in Mandarin 1400 GMT 8 Dec 90

[Text] A detailed report on the explosion on a bus in downtown Chengdu has been received.

According to officials in Sichuan Province, the explosion on Friday afternoon killed two persons and injured many others. The injured have been rushed to hospital.

It has been reported that the explosion was caused by a bomb and took place only 20 meters from a statue of Mao Zedong. According to a provincial spokesman, the 15-meter-high statue was not damaged.

Tibet's Gyaincain Norbu on Correcting Irregularities

OW0912211390 Lhasa Tibet Television Network
in Mandarin 1300 GMT 8 Dec 90

[From the "Tibet News" program]

[Text] The autonomous regional Office for Correcting Departmental Irregularities held a meeting to exchange information on the work of promoting ethical integrity and correcting departmental irregularities on the morning of 8 December. [Video shows closeups of Gyaincain Norbu and other speakers at the meeting and wide shots of a conference room showing around 80 conferees] Gyaincain Norbu, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional people's government, attended and addressed the meeting. He called on all organizations and departments first to sum up experience and then continue to do a good job and achieve success in correcting irregularities in various departments.

Other speakers included responsible comrades of the autonomous regional commerce department, industry and electric power department, communications department, commodity price bureau and taxation bureau, and the Lhasa City Public Security Bureau. They reported on their work in correcting irregularities in their departments.

Zeren Sangzhu, secretary general of the autonomous regional people's government, summed up the autonomous region's work in correcting departmental irregularities in the preceding period and put forward specific demands for further correcting the irregularities. He said: It is necessary to strengthen leadership, carry out thorough education, and enhance understanding. All functional departments under the autonomous regional people's government must take the lead and set a good example in correcting their own irregularities. It is necessary to concentrate our energies, make great efforts, adopt effective measures, and mobilize the people to correct the departmental irregularities. It is necessary to formulate and improve relevant regulations and systems and to make comprehensive efforts to seriously correct the departmental irregularities that the people complain intensely about and hate bitterly.

North Region

Seven Sentenced in Beijing Pornography Case

SK1012102090 Beijing BEIJING RIBAO in Chinese
1 Nov 90 p 1

[By reporter Chen Weiguang (7115 4850 0342): "Judgment Was Made in the Largest Pornographic Poison Case in Beijing on 31 October"]

[Text] Seven criminals who sold obscene books were given severe punishment by the Xuanwu District People's Court yesterday. Two of them, Li Qingde and Li Xiurong, a brother and sister from Lankao County, Henan Province, were given life imprisonment and deprived of political rights for life.

It was reported that this was the largest "pornographic poison" case ever investigated and dealt with by the judicial organs since Beijing Municipality has undertaken "antipornographic" work.

Criminals Li Qingde and Li Xiurong illegally bought approximately 74,000 copies of obscene and contraband books from Su Chuanshan, Wang Shouxun, and Zhao Huashun of Heze Prefecture, Shandong Province. After that, he raised the prices of the books and resold them to some "pornographic book" sellers in Guangxi, Guiyang, Sichuan, and Beijing to seek exorbitant profits and become a "new wealthy person" in the neighborhood of Lankao County.

Pan Xiangdong, a resident of Beijing, and Zhang Guangjun, from Guanxian County, Shandong Province, plotted together to buy approximately 5,000 copies of obscene and contraband books from Li Xiurong and Li Qingde during the January-February period last year. They were captured by the Xuanwu Public Security Subbureau while forming a partnership to sell the books in Beijing.

BEIJING RIBAO reported the whole story of this trans-provincial and trans-municipal case on printing and selling obscene books under the title of "Digging Up the Pornographic Lairs in Hot Pursuit" on 29 August last year. "Pan and Zhang were each sentenced to 11 years of imprisonment yesterday.

The other three criminals in this case—Wang Shouxun, Su Chuanshan, and Zhao Huashun, who are natives of Helou Township in Heze City, Shandong Province—were sentenced to 15, 14, and 10 years of imprisonment, respectively, for illegally printing more than 50,000 copies of obscene and contraband books at home and selling them.

The Xuanwu District People's Court, which was entrusted by the municipal Intermediate People's Court to hold the first trial of this case, maintained that the seven criminals such as Li Xiurong, who wantonly manufactured and sold obscene and contraband books and periodicals to seek exorbitant profits, violated the

industrial and commercial administrative and management laws and regulations and disrupted the industrial and commercial management system. It ruled that they should be punished severely because their acts constituted the crime of speculation and profiteering and their case caused serious consequences. Judgement was made at the first trial yesterday after the case was publicly heard at court on 25 September.

Hebei's Xing Chongzhi Views Economic Work

SK1012092990 Shijiazhuang HEBEI RIBAO
in Chinese 28 Oct 90 p 1

[Text] Only when cadres at various levels upgrade their leadership over the economic work can the mass chorus of economic work be rhythmical and vivid and can we make realistic achievements in the economic work. This was what Xing Chongzhi, secretary of the provincial party committee, said at a meeting attended by responsible persons of the units under the Handan City party and government organs on 26 October.

How can we further upgrade our leadership over the economic work? Xing Chongzhi deeply expounded this question as follows:

1. Correctly understand and handle the relationship between material conditions and spiritual conditions. This is a fundamental issue related to philosophy as well as a standpoint to foster correct guiding ideologies and work principles. To attend to the economic work, we should certainly take the material conditions into consideration. Our economic work is doomed to fail only if we pay attention to our subjective aspirations or are enthusiastic to handle affairs to the neglect of objective possibility. At no time, however, can we ignore the reaction of spiritual conditions on material conditions. We are actually confronted with many difficulties, such as market slump and shortage of funds. These difficulties become objective factors for affecting the economic development. We should rely on our subjective activity to overcome these objective difficulties. If we just pay attention to rapidly developing new projects on a large scale under a situation like two years ago when there were strains on coal, electricity, and basic raw materials, our subjective aspirations will go beyond the objective possibility. Through improving the economic environment and straightening out the economic order, our strains on energy resources and raw materials have been alleviated, the retrenchment of funds becomes loosened, and there is great potential in various spheres. Only when we display our subjective activity in invigorating markets, making structural readjustment, promoting technological and managerial progress, and upgrading product quality can the economy be developed steadily. At present, some comrades pay more attention to the "macroeconomic climate" and the "major environment" but give less consideration to the issue of how to display their subjective activity. Such thinking does not conform to the material dialectics. If we use such thinking and method to handle our work, we will be in a

passive state. Under the same objective environment, some enterprises are well managed. The most fundamental reason is that they have done their jobs well and successively displayed their subjective activity. When it comes to enthusiasm, we should first have both correct thinking and work methods and bring into play our subjective activity.

2. Correctly understand and handle the relationship between general characters and individual characters. This is an important category of philosophy. If we apply this concept to guiding and managing the economic work, we should conscientiously study the specific problems and contradictions of all enterprises and trades. We should adopt different methods according to their specific characters, and give different instructions to different enterprises and trades. The principles and policies of the central authorities, worked out according to the general characters of the problems of different areas throughout the country, are of general significance in guiding the work of all localities and all units. To implement these policies, we must conscientiously analyze, however, the special characters of our own and find out methods for solving the problems according to our specific contradictions. Enterprises should compare themselves with the enterprises of the same trade within the province and throughout the country, and compare their present work with their previous work. An enterprise should make comparison between different workshops and between different work teams. Through comparison, we will discover our advantages and disadvantages, find out where we lag behind, know our own individual characters and special characters, and further find out the measures and methods for eliminating contradictions. By so doing can we avoid giving only vague, general directions.

3. Correctly understand and handle the relationship between the enhancement of macroeconomic control and the improvement of microeconomic management. Judging from the macroeconomic point of view, we know that enterprises are confronted with such difficulties as the imbalance between various systems and between different sectors of the economy, the undue distribution of funds, and the unreasonable industrial structures; and judging from the microeconomic point of view, we know that enterprises still have some problems, such as imperfect operation, lax management, and imperfect systems. Therefore, we must attend to the problems in both spheres to eliminate enterprises' difficulties. If the departments, no matter what levels they are, are able to solve the macroeconomic problems, they should try every possible means to solve the problems. We must never wait for higher levels' assistance. We should proceed from reality and use the spirit and method of reform to solve the problems. A major task ahead of us at present is how to treat the issue of combining the planned economy with market regulation. Although the central authorities as well as the province are making efforts to study this issue, our city should also study and explore specific methods to solve the problems

in this regard. In regard to microeconomic problems, enterprises should rely on their own efforts to solve the problems related to their inherent management and operation. The departments in charge of the economic work and the departments in charge of the overall work, however, should also make conscientious efforts to solve the problems in this regard. Enterprise leaders should also be familiar with the macroeconomic situation, such as funds, market, and planning. Otherwise, it will be possible that enterprises will end up in a passive state. At the time of drawing distinctions between the enhancement of macroeconomic control and the improvement of microeconomic management on the premise of each having its peculiar strong points, we should pay attention to both and coordinate them. Only when we attend to the work in these two regards will we certainly enliven the enterprises, optimize enterprises' inherent and external environments, make enterprises—the cell of the national economy—become more vitalized, and further better develop the economy.

4. Correctly understand and handle the relationship between economic affairs and policies and policy decisions. Some day-to-day economic affairs should be handled in a timely manner and conscientiously by the responsible departments of the government, the departments in charge of the economic work, and the departments in charge of the overall work. Handling these affairs are the bound duty of these departments. They must not pay attention, however, only to these matters nor be satisfied only about their achievements in handling these matters. At the time of handling some day-to-day economic matters, they should be good at studying policies in line with the day-to-day economic affairs and concentrate energy on attending the implementation of policies and policy decisions. Leaders in charge of the economic work and responsible persons of departments and trades should know how to grasp focal points, make distinctions between major and minor things, but must not take care of every single thing personally. They should assign some relevant personnel to handle the regular, routine matters if the standards and systems for handling these matters are studied and worked out. They should concentrate more energy on solving the problems related to policies and policy decisions and helping enterprises solve the major problems related to production and management, and some new contradictions and problems.

5. Correctly understand and handle the relationship between speed and beneficial results. There must be an appropriately rapid speed and fairly good beneficial results. This is an old question that we talk about often. It is not easy to attain, however, the requirements in these two spheres. So, we should study and learn how well to handle the relationship between speed and results in the course of guiding the economic work and organizing production and management; and explore, in the course of practice, various complicated factors for affecting and conditioning the relationship. What are their quantitative limits? How can we embark on the

orbit of increasing the economic results? The economic departments under the governments and the enterprises have to do a lot of work in this regard. Now, we are thinking of ways to promote the economic development because the economic growth rate is rather slow. Although noticeable results were made over the past months, we still have to make continuous efforts to promote the economic results. At the same time, we should also pay close attention to the problems related to poor economic results. We must make real efforts and adopt some tangible methods, including developing new products, promoting technological progress, upgrading product quality, tapping potential, conducting technological transformation, and upgrading the quality of staff and workers, to upgrade the economic results. This is a task of urgent importance as well as a long-term work task. We must spare no effort to firmly attend to it. This is the key to judging whether or not enterprises can stand still and whether or not their products can occupy the market at home and enter the international market.

6. Correctly understand and handle the relationship of plant directors' central and party committees' role as the nucleus of enterprises with staff and workers' role as the main force of enterprises. Enterprises should persist in plant directors' central role in production and management, and party committee's nucleus role in carrying out the ideological and political work; and bring into full play the vast number of staff members and workers' role as the master of the enterprises and as the main force in the development of production. The success in handling the relationship among them and making them work in coordination with each other is a guarantee for invigorating enterprises. First, we should well handle the relationship between plant directors and party committees. Second, plant directors and party committees should establish good ties with the staff and workers; really respect their position as the master of the enterprises; let them join the discussions on major issues. Enterprises will make no development without the enthusiasm of staff and workers. What we should mention here is that the enterprise manager's role and the staff and workers' role as the master of enterprises are antagonistic to each other, but are identical with each other. In facts, the entrepreneurs with real ability are ones to pay full attention to bringing workers' role into full play. That "a man can save a plant" actually means that an entrepreneur with managerial ability relies on his effort to bring into play the enthusiasm of staff and workers to save the plant.

7. Handle the relationship between making plans and firmly attending to the implementation of plans, and do all out to attend to the mass chorus of the economic work. If we do not conscientiously make plans or do not make careful and overall considerations, we will make unpredictable changes in policies or dismantle the wall of the east to repair that of the west. This will bring about undue losses to the economic work. On the basis of conducting conscientious investigations and grasping real situations, we should deeply analyze, study, and

appraise the economic work; take all factors into consideration; and set forth countermeasures. Only by doing so can we reduce the mistakes to a minimum. We should also firmly attend to the implementation when there are good plans. If we do not attend to the implementation, any tentative plans, countermeasures, and plans, no matter how good they are, are only a mere scrap of paper. What we should emphasize is that grass-roots economic departments and enterprises are both plan makers and enforcers. To develop a new project or transform an old project, first of all, we should work out a feasible program, then ask relevant fronts for assistance, and create conditions for realizing the program. Working out programs is a matter related to plan-making, and asking relevant fronts for assistance and creating conditions for realizing the program is a matter of implementation. Higher-level organs, including provincial-level departments, should help prefectures, cities, and enterprises make plans and organize implementation; firmly foster a concept of serving the grass roots and enterprises; work hard to fulfill their duties; be united to make a success in the mass chorus of the economic work; and strive to upgrade their leadership over the economic work. Only by doing so will we certainly overcome the difficulties ahead of us and steadily promote industrial production and overall economic work.

Inner Mongolia Secretary Speaks at Party Meeting

SK1012132390 Hohhot Inner Mongolia Regional
Service in Mandarin 2300 GMT 9 Dec 90

[Excerpts] The autonomous regional party committee held an enlarged Standing Committee meeting on 7 and 8 December to hear reports given by the study and observation groups of the autonomous region on their study and observation activities in Ningxia, Shaanxi, Shanxi, Shandong and Tianjin, to put forward the basic ideas for implementing the guidelines of the circular of the CPC Central Committee on next year's agriculture and rural work, and to pledge to emancipate the mind, seek truth from facts, and work in unity to carry out construction. Attending the meeting were Standing Committee members of the autonomous regional party committee, principal leaders of the various major leading bodies of the autonomous region, responsible persons of the pertinent departments of the autonomous regional party committee and government, and all the members of the study and observation groups.

From mid-November to early December, leading comrades of the autonomous regional party committee and government, and responsible persons of some leagues and cities, and some pertinent departments of the organs directly under the autonomous region organized two study and observation groups led by Comrades Wang Qun and Bu He, respectively, and went to Ningxia,

Shaanxi, Shanxi, Shandong and Tianjin to conduct study and observation mainly of their agriculture and rural work, and urban economic work. The purposes of the study and observation activities were to study and learn from the advanced experiences of the provinces, municipal and region in developing agriculture, to earnestly measure our region's work by their advanced experiences, and, continuing to remain clear-headed, to emancipate our minds, uplift our spirit, make good preparations to stabilize next year's agricultural production and raise the people's income, and strive to develop the region's agricultural production in the Eighth Five-Year Plan period.

During the activities, the groups focused their study and observation on Ningxia's endeavor to develop and utilize the Huang He water resources, the development of dry farming by the dry areas north of Wei He in Shaanxi, Shanxi's efforts to develop and transform beach areas and saline-alkali land and afforest barren hills, and the experiences of Shandong and Tianjin in deepening the rural reform, developing agriculture through science and technology, restructuring the economy, expanding township enterprises, and opening to the outside world. The study and observation groups visited more than 40 selected units in nearly 30 counties and cities of more than 20 prefectures of the five provinces, municipality and region. They held discussions to exchange views with the principal leaders of the provinces, municipality and region, and heard reports on their experiences. Through study and comparison, they expanded their field of vision and knowledge, increased their ideas, and enhanced their understanding. [passage omitted]

Wang Qun presided over the Standing Committee meeting, and spoke to summarize the meeting. He urged: Party and government departments at various levels should aim at implementing the guidelines of the party Central Committee's circular when learning from the experiences of other localities and summarizing our region's work. Through study, the entire party should enhance its initiative in greatly developing agriculture, and truly put agricultural development in a strategic position in its work, and in a fundamental position in the national economy. We should fully appraise our region's advantages in developing agriculture and animal husbandry, further emancipate our minds, and renew our ideas. All trades and professions, all fronts and all departments should have a strong sense of responsibility for making contributions to agricultural development, formulate as soon as possible the specific policies and methods for implementing the circular of the party Central Committee, and adopt effective measures, a pioneering spirit, enlightened ideas and open policies to develop the economic construction of the autonomous region in high quality, at high speed and with high efficiency.

Beijing 'To Use Force' if Reunification Drags On

HK1012094190 Hong Kong MING PAO in Chinese
10 Dec 90 p 2

["Special dispatch" from Guangzhou: "CPPCC National Committee Vice Chairman Qian Weichang Says Beijing To Use Force Against Taiwan if China's Reunification Issue Drags On Unresolved"]

[Text] Qian Weichang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], pointed out yesterday that if the question of reunification dragged on unresolved, Beijing would use force against Taiwan. At the same time, he maintained that China cannot be united under a federal system of government.

Qian Weichang, who is also chairman of the China Council for Promoting Peaceful Reunification, outlined yesterday the three conditions under which Beijing would use force against Taiwan. They are: Proclamation of Taiwan independence, invasion of Taiwan by foreign powers, and continuing delay and nonresolution of the reunification issue for a long time.

But "how many years" would constitute "a long time"? Qian Weichang indicated that he himself was not sure, but that the issue cannot drag on indefinitely.

Asked if Beijing wanted to achieve reunification within three years, Qian Weichang said: "Naturally, we would like it to be sooner. The best would be in three months!" He added that the agenda for reunification cannot be decided unilaterally.

Qian Weichang said the reunification of the two sides of the strait would lead to the formation of a powerful base of human and material resources which would defy foreign aggression. Beijing would like to unite the country under the one country, two systems concept, with Taiwan designated as a special administrative region in accordance with its real conditions and where the central government would adopt a hands-off policy. If this can be realized, it will be a great contribution to the Chinese nation.

With regard to the proposal on reunification under a federal system of government, Qian Weichang held that this was not possible because the vast numerical difference in the populations on the two sides of the strait would make it very difficult to form a "federation." Taiwan independence is even more out of the question. Qian Weichang said: The great majority of Taiwan people came originally from the mainland. This may be borne out by going through their family trees. "Independence" is impossible.

On the other hand, responding to CPPCC National Committee Vice Chairman Qian Weichang's statement about not ruling out the use of force against Taiwan, Li Ching-hua, organizer of the Taiwan Action Committee to Defend Diaoyutai, who is currently visiting Hong Kong, said the most important thing for China to do is to

open up to the outside world and to reform in order to win a consensus among Taiwan compatriots for an early realization of reunification. This would be more effective than the emphasis on the use of force.

Li Ching-hua indicated yesterday that an opinion poll in Taiwan has shown that pro-Taiwan independence people are very few in number, while the majority of Taiwan people favor reunification. He stressed the need to step up exchanges between the two sides of the strait, adding that more exchanges will lead to greater understanding and eventually usher in the day of reunification.

Wang Hsiao-po, another member of the Taiwan Action Committee to Defend Diaoyutai currently visiting Hong Kong, said that among the three premises cited by Beijing for the use of force against Taiwan, foreign invasion of Taiwan and Taiwan independence share a common feature, that is, the disappearance of sovereignty over Taiwan from the Chinese sphere. The reaction to these two premises should be different from that of the third premise, that is, excessive delay in the reunification timetable.

He pointed out that sovereignty over Taiwan was returned to China by Japan in 1945, and to this day, the rulers of Taiwan continue to exercise sovereign rights over Taiwan on behalf of China. Under these circumstances, unless the rulers of Taiwan admit that their territorial sovereignty is limited to Taiwan, Penghu, Liao, Jinmen, and Mazu; give up sovereignty claims over the mainland; and cease to represent China, then sovereignty over Taiwan should be restored to the government representing China.

As to how much longer the issue of reunification will drag on, Wang Hsiao-po believed that this should be a test of whether the political leaders on both sides of the strait have the intelligence and wisdom to devise a way to reunify China's territorial sovereignty. He pointed out that this would also naturally depend on whether our generation of Chinese, especially the Chinese intellectuals, have this wisdom to find a way of reunification that is acceptable to the people on both sides of the strait. This would require more time and further mutual understanding, to be followed by more talks and discussions on the mode of reunification.

Wang Hsiao-po said that before such a procedure is set up, statements on the need to resort to the use of force to resolve the current division appear too brutal.

Official on Military Solution to Reunification

HK1012021390 Hong Kong SOUTH CHINA
MORNING POST in English 10 Dec 90 p 8

[By Chris Yeung in Guangzhou]

[Text] China would have to turn to the use of force to re-unify Taiwan if talks between the two rival political

parties dragged on "over a long period of time," according to a Chinese democratic party leader, Mr Qian Weichang.

He indicated failure by the Kuomintang to respond to the Communist Party's call for talks as one of three possibilities for a military solution, but declined to give a deadline for the talks.

Mr Qian said the communist regime would also have to resort to force if Taiwan declared its independence or was invaded by foreign countries.

"If it declared independence, the mainland should have the right to stop it by force. Any foreign invasion (of Taiwan) also constitutes invasion of mainland China."

Mr Qian is a vice-chairman of the Chinese People's Political Consultative Conference and vice-chairman of the China Democratic League.

He said China remained committed to the one country, two systems solution to settle the reunification of the country, which he said would greatly strengthen the development of the Chinese race.

But Mr Qian refused to be drawn on whether the communist Government had set a timetable of three years to end the separation of the country which began in 1949.

"I would hope it (unification) could take place as soon as possible. It's best if it only takes three months," he said in Guangzhou.

Mr Qian also maintained independence for Taiwan would not be supported by people on both sides of the Taiwan Straits. "Many people in Taiwan come from the mainland. They won't support the independence movement."

The democratic party leader ruled out the possibility of reunification under a federal system, maintaining Taiwan and the mainland differed widely in population and other issues.

But he added the Taiwan Government would be promised a high degree of autonomy and a different legal system under the formula of "one country, two systems".

But Mr Qian maintained the central Government would be the only legitimate body to handle diplomacy in the future unified country.

In response to Mr Qian's comments, Mr Lee Ching-hwa, secretary-general of the Chinese-Taipei Olympic Committee, said the most important thing was for China to put into effect the open door policy and promote economic development.

He believed such an approach would be more effective in the unification of Taiwan and the mainland than stressing the use of force.

Mr Lee said opinion polls conducted in Taiwan, showed the majority of residents supported unification and only a small group favoured independence.

Editorial Examines Issue of Reunification

OW0812210790 Beijing XINHUA Domestic Service
in Chinese 1937 GMT 6 Dec 90

[Text] Beijing, 7 Dec (XINHUA)—Recently, Taiwan's "LIAN HE BAO [LIEN HO PAO]" published a six-part editorial entitled: "Proposals for the Two Sides of the Taiwan Strait To Jointly Promote Peaceful Reunification." It put forward views on the issue of peaceful reunification and expressed the hope they will arouse all the Chinese at home and abroad to make joint efforts to promote peaceful reunification.

"The reunification of China is an inevitable law governing the development of history." Such a viewpoint was advanced by "Open up a Way Out of the Development of History Which Moves in Zig-Zags and by Roundabout Ways," one of the "proposals" listed in the first installment of the editorial. The editorial expressed "resolutely upholding the one-China stand" and proposed "that the promotion of peaceful reunification is the common mission shared by all the Chinese people and that they should make joint efforts to achieve this end." The editorial noted: "One China and reunification is the common belief and objective shared by the two sides of the Taiwan Strait, and is also the common wish of all the Chinese people at home and abroad. No matter whether viewed from the perspective of national feelings and love between compatriots or from the perspective of the common interests and happiness for the two sides of the Taiwan Strait, 'peaceful reunification' under this common belief and objective should be an irreplaceable common understanding for the Chinese people living on both sides of the Taiwan Strait."

Directed against the splittist tendencies of certain people in Taiwan, the editorial included the "call that Taiwan must not advocate separatism" in the content of the "new cardinal principle of the Chinese nation." The editorial said: "Whether or not there remains 'static [discord]' with regard to the future of our country, the developing circumstances are more powerful than the wishful thinking of some people and absolutely cannot be resisted by a handful of separatists."

The fifth-part of the editorial from "LIAN HE BAO" put forward a number of specific views on the issue of peaceful reunification from every perspective. The second of the "proposals" is entitled "Reach a Common Understanding in One of the Stages of the Process of China's Reunification." The editorial maintained: "Reunification is not to be achieved overnight. It has to go through a transitional stage of 'peaceful change.' The two sides which are separated ought to get along with each other in peace and jointly commit themselves to the gigantic project of national reunification by means of mutual help during this transitional period." The editorial said that China's reunification is in keeping with the

evolution of the tide of the world as and, in the meantime, in the overall interests of the Chinese nation, and that the important significance of the "transitional period" lies in creating preconditions and laying a foundation for reunification.

The third one of the "proposals" expressed the necessity to explore "what we can do" to carry out efforts for promotion of peaceful reunification. The serial editorial here carried the title "Draw up a Plan for a Zone of Joint Construction by the Two Sides of the Taiwan Strait to Lay a Foundation for Peaceful Reunification." It held that to realize peaceful reunification, a "mutually beneficial common understanding" must be reached first of all, and that the embodiment of this principle is in "drawing up plans for zones on the mainland for joint construction by the two sides of the Taiwan Strait" and then "mixing together the ways of life and concepts of value of the people on both sides of the Taiwan Strait."

"The Two Sides of the Taiwan Strait Should Regard Promoting Modernization of Chinese Culture as their Common Objective" was the title of the fourth "proposal." The editorial here maintained the necessity for the two sides of the Taiwan Strait to take positive steps in the areas of policy on written language, concept of value, conduct, and even in future academic endeavors and information to promote reunification of the two sides of the Taiwan Strait.

In the fifth "proposal" entitled "Interactions Between the Two Sides of the Taiwan Strait Should Be Planned and Institutionalized," "LIAN HE BAO" maintains that some sort of code of conduct should be established and institutionalized so that exchanges between both sides will become regular, rational, and systematic. It suggests that any measure and action aimed at relaxing tensions or promoting communication and interaction between both sides of the Strait should be well planned. Based on their actual conditions, both sides can design specific plans to foster exchanges on various subjects and important topics that they have selected.

The last editorial is entitled "An Appeal Made on Behalf of All Chinese People." It emphasizes again that "the foremost and greatest aspiration of the Chinese people is to achieve a peaceful reunification." The editorial notes: "At present, the so-called 'mainland policy' (of Taiwan) actually lacks the 'divine' foresight of a policy. It can neither effectively dissipate separatist voices nor mitigate the antagonism between the two sides of the Strait. Therefore, it is time to take action and stop the situation from deteriorating. A package of resolute and enterprising policies and measures should be worked out as soon as possible. This mainland policy package should conform to the will of all Chinese people. Under the premise of 'one China,' the policy should set the grand goal and outline creative measures for peaceful reunification, and promote economic and cultural exchanges and integration between both sides of the Strait."

In the series of editorials, "LIAN HE BAO" also expresses its "opposition to the use of force" and calls to "cast off the 'four adherences.'" Some of the editorials "oppose secessionism and the use of force," whereas others propose a "new cardinal principle of nationalism," which maintains that Taiwan should not engage in secessionism and that the mainland should not use force. All of these have mixed up two completely different issues. Still, other editorials describe the reunification under the concept of "one country, two systems" as a "merge," and regard the disputes over the principles of "one country, two governments" and "flexible diplomacy" inside and outside the island as mere divergences on formalist orthodox ideas.

PRC May Handle Taiwan Nuclear Waste Disposal

HK0612022990 Hong Kong HONGKONG STANDARD
in English 6 Dec 90 p 9

[By Fan Cheuk-wan]

[Text] China is to study the possibility of allowing Taiwan to dump its nuclear waste in Xinjiang, a senior Chinese official in charge of nuclear power said yesterday.

Ding Yupei, director of the Office of Nuclear Industry's Chief Engineer under the Ministry of energy, told THE HONGKONG STANDARD that China would consider storing Taiwan's nuclear waste, provided the island's authorities submit a formal request.

"Storage of nuclear waste is a very sensitive question.

"China will not accept disposal of nuclear waste from foreign countries," he said, "but we will study the possibility of helping Taiwan store its nuclear waste if the Taiwanese authorities submit a formal request," he said.

Chien Pei-chen, director of the Department of Nuclear Power Waste Management of the state-owned Taiwan Power Company, told THE HONGKONG STANDARD his company may consider disposing nuclear waste in Xinjiang once the government changed its existing policy of no contact with the mainland.

"Since our company is a state-owned enterprise, we must seek prior approval from the government before my department starts conducting feasibility studies on nuclear waste disposal in Xinjiang," Mr Chien said.

"From the company's point of view, we are willing to co-operate with the mainland," he said.

"It's too early for us to submit a formal request to the mainland authorities for their help in dealing with our nuclear waste after-treatment," he said.

Nuclear waste produced by Taiwan's three nuclear stations is stored in the spent fuel pools constructed next to the nuclear reactors.

"By 1999, the first spent fuel pool of our nuclear stations will be full. Another spent fuel pool will also get full by 2000," Mr Chien said.

Mr Chien said the proposal to store nuclear waste in Xinjiang was among three alternatives suggested by his department.

China has more than 20 years' experience in dealing with nuclear waste from the military and has factories to handle treated waste.

China announced in late 1988 that a 200 million yuan (HK\$300 million) treatment plant would be constructed in the Gobi Desert in the Xinjiang Autonomous Region and should be finished by 1995.

Plans To Press U.S., PRC on Diaoyutai Issue

HK1012024590 Hong Kong HONGKONG STANDARD
in English 10 Dec 90 p 5

[Text] The Taipei-based Defend the Diaoyutai Campaign Committee yesterday said it planned to organise visits to China and the United States to press the two governments across the Taiwan Strait to defend the sovereignty of the Diaoyutai Islands.

Committee convenor Lee Ching-hua, who is the secretary-general of the Chinese Taipei Olympic Committee, criticised the Taiwan and mainland governments for failing to adopt effective measures to defend the country's sovereignty.

At a press conference in Hong Kong yesterday, Mr Lee said "it was a humiliation" that the sovereignty of the Diaoyutai Islands had to be safeguarded by ordinary Chinese people and not the two governments across the strait.

"It is the responsibility of the two governments to defend the sovereignty of the Diaoyutai Islands at all costs.

"But they have left this crucial job to the ordinary people to resolve," he said. Mr Lee is the eldest son of former Taiwan premier Lee Huan.

The committee was set up in Taipei in October after the outbreak of a the latest sovereignty row with Japan.

Founders of the committee include Democratic Progressive party legislator Lin Cheng-chieh and Legislative Yuan member Ju Gaujeng.

Taiwan Plans To Open Trade Office in USSR

OW0912182790 Taipei CNA in English 1539 GMT
9 Dec 90

[Text] Taipei, Dec. 9 (CNA)—The Republic of China [ROC] will open its first trade office soon in the Soviet Union, an economic affairs official said Sunday.

The official pointed out that the semi-official China External Trade Development Council (CETRA) will be authorized to negotiate with the Moscow authorities on the establishment of a CETRA office in Moscow.

Consensus on the necessity of such a trade office was reached among related government agencies, and final Executive Yuan approval for the CETRA office is expected soon, the official added.

The Soviet Union is the nation's number one trading partner among East European countries; and the great potentials of the Soviet market have not yet fully tapped, the official said.

Possible GATT Failure Not To Be Significant

OW0912181790 Taipei International Service
in English 0200 GMT 9 Dec 90

[Text] Board of Foreign Trade officials have said the export-oriented Republic of China [ROC] will not be significantly influenced if the Uruguay Round of trade negotiation should fail to reach a conclusion.

Officials said if the talks unfortunately fail, the current GATT trade rules and the global trade system would still remain intact. The multilateral trade talks came to an impasse over a sharp clash between the European Community, the United States, and the free traders of an Australian-led group over proposals to cut farm subsidies and to open up local service industry market.

Officials noted though, that once the trade talks are successful, new trade rules for the international community will be established and the influence will be far-reaching. The ROC has applied to join GATT but its application has not yet been approved.

Vice Premier Shih on Direct Links With Mainland

OW1012122190 Taipei CNA in English 1008 GMT
10 Dec 90

[Text] Taipei, Dec. 10 (CNA)— Vice Premier Shih Chi-yang said Monday that due to safety reasons, the government of the Republic of China still cannot open direct transportation and trade with the mainland.

Shih was responding in his capacity as Mainland Affairs Council chairman to questions posed by lawmaker Chang Shih-liang in a Legislative Yuan committee.

He stressed that a unified China is the cherish goal of all Chinese, but this objective cannot be attained overnight, and as long as threats of Taiwan being taken forcefully by Mainland China exists, no direct links with Peking should be opened.

The vice premier said that Peking has asked for exchanges across the Strait without preconditions. "But," he questioned, "what will happen if, say, half a million mainlanders chose to come and settle here? It would create enormous housing, environmental, and employment problems, turning Taiwan into a local government in no time at all."

Shih pointed out that the government's foremost concern is the well-being of the 20 million people in Taiwan, and therefore will not at the present stage consider opening direct links across the Strait.

Plans To Allow Chinese Communists To Fly Flag

OW0812024890 Taipei International Service
in English 0200 GMT 7 Dec 90

[Text] A top government official has said that authorities here may allow the Chinese Communists to fly their red flag on Taiwan's soil if the communist Chinese allow the same for Taipei.

Vice Premier Shih Chi-yang told the Legislative Yuan that the decision is made under the principle of mutual exchange. He said that the communists permit the branch office of an ROC [Republic of China] intermediary body on the mainland China to fly the ROC flag, the ROC can certainly agree to permit their office in Taipei to fly their five-star flag.

Political analysts here said that such remarks are seen as one big step towards improving relations with mainland China and even the tension on the Taiwan Strait. The analysts said that the communist red flag has been absolutely forbidden in Taipei for the past 40 odd years and such acknowledgement of the flying of the flag in Taipei under the reciprocal principle shows that Taipei is reducing its hostility towards Peking.

PRC Red Cross To Turn in 6 Criminals, Suspects

*OW0812182490 Taipei CNA in English 1527 GMT
8 Dec 90*

[Text] Taipei, Dec. 8 (CNA)—Mainland Chinese Red Cross officials will hand over in Amoy (Xiamen), Fukien [Fujian] Province six criminals and suspects to their Republic of China [ROC] counterparts Sunday.

This will be the first time Taiwan criminals and suspects to be sent back from mainland China since the two Red Cross Societies signed a historic agreement on repatriating illegal immigrants and criminals last September.

Chen Chang-wen, secretary general of the Republic of China Red Cross, said the six are either criminals or suspects wanted on charges of smuggling firearms or human trafficking from the mainland.

The mainland Red Cross will hand over Yeh Chen-chia, Huang Tsai, Chen Wen-pin, Huang Chin-cheng, Lien Wen-chi and Hsu Peng-yu to ROC Red Cross officials, who will escort them back to Taiwan via Kinmen Monday.

Chen said officials of the two Red Cross Societies will take the opportunity to exchange views on improving the repatriation process.

Premier on Mainland Affairs Committee, Drug Abuse

*OW0812024790 Taipei International Service
in English 0200 GMT 7 Dec 90*

[Text] During Thursday's cabinet meeting, Premier Hao Po-tsun also said that the establishment of the Committee on Mainland Affairs and its arbitration group between the two sides of the strait is a result of requests by the public. He said that under these conditions, the Committee on Mainland Affairs will definitely go ahead.

Hao made the remarks after listening to a briefing by Vice Premier Shih Chi-yang on the opinion from the Legislative Yuan and various sectors on the committee.

As to amphetamine use on Taiwan, the premier instructed the judicial and education ministries to come

up with several plans to stamp out the rampant drug use. He said that the law should have enough leeway so that youths who take amphetamines will not receive too severe a punishment under the law. The premier ordered that the department of health and government information office to begin an anti-drug campaign and secure the authorities to strictly crack down on drug use and sale.

Foreign Minister Reaffirms 'One China' Policy

*OW0712202690 Taipei CNA in English 0314 GMT
7 Dec 90*

[Text] Taipei, Dec. 7 (CNA)—While based on a one-China policy, the Republic of China will continue its "pragmatic diplomacy" in order to expand foreign relations, Foreign Minister Chien Fu said Thursday.

The country will also seek to play a more active role in the world community despite Chinese Communist attempts to isolate Taiwan, Chien said in an interview with national affairs forum, a public TV program aired on TV Thursday night.

Analyzing Taipei's recent diplomatic victories in resuming official ties with Bolivia and Nicaragua, Chien said the world situation is now more favorable to the nation because most countries have shifted their attention from political issues to economic affairs as a result of eased East-West relations.

Attracted by the Republic of China's outstanding economic strength and trade performance, many countries are now willing to make friends with the world's 13th largest trading power and one of the biggest foreign exchange reserve holders, he added.

The adoption of the pragmatic diplomacy policy three years ago has also made it easier for the country to develop relations with other countries, Chien said.

Under the policy, the minister said, Taipei looks forward to establishing diplomatic relations with more countries, but it will not be bound by "official forms" in expanding foreign relations.

The country will strive to improve substantive relations with other countries even if the establishment of formal relations is not possible for the time being, he pointed out.

Although Taipei maintains diplomatic ties with only 28 countries, it has developed substantive relations with more than 120 other countries and has established representative offices in over 60 of them, Chien added.

In its bid to rejoin the international community, the Republic of China will give top priority to joining international trade organizations such as the General Agreement on Tariffs and Trade (GATT) and regional economic group such as the Asia-Pacific Economic Cooperation (APEC) forum, Chien said.

The senior diplomat admitted that the Chinese Communists have been a major barrier to Taipei's efforts by putting pressure on the organizations, but he pledged that the Republic of China will continue working in the hope of achieving eventual breakthroughs.

KMT Official on Opposition's Policymaking Role

OW0812213790 Taipei TZU LI WAN PAO in Chinese
30 Nov 90 p 1

[Text] A high-ranking ruling party [Kuomintang—KMT] official today pointed out: To effectively turn opposition forces into forces that support the government's mainland policy and to integrate government and opposition forces to establish a mainland policy acceptable to all people, the National Unification Council, the Executive Yuan's Mainland Affairs Council, and the Foundation for Exchanges Across the Taiwan Strait very likely will expand their organizations or readjust the numbers of their members within three to six months, along with inviting opposition personages to join them.

The official added: To be in line with next year's mainland policy, when the Period of Mobilization for Suppressing the Communist Rebellion is ended, we will redefine the Chinese Communists as a political entity which will engage in peaceful competition instead of acting as a rebellious and hostile group, as it has been defined so far. This work, which is aimed at defusing internal conflicts and fostering a common will, is of considerable significance.

The official said: The government will end the Period of Mobilization for Suppressing the Communist Rebellion next year, and various projects on making political changes and promoting democracy are being planned and carried out. A more important step, to change the relations between the two sides of the Strait; namely, how to defuse the Chinese Communists' hostility and reduce the possibility of their using force against Taiwan, is of greater concern to the ruling party. Nevertheless, recent relations between the government and opposition forces have been strained frequently over the absence of opposition personages in the aforementioned three organizations.

The official continued: Moreover, ruling party officials have had different views on dealing with the Democratic Progressive Party [DPP]. Although ruling party Chairman Li Teng-hui has been eager to turn the DPP into a source of support for the government's policies, and has shown concern over the progress in increasing communication and consultations between the ruling and opposition parties, some people have called for the adoption of stern measures against the DPP and referring Taiwan independence activities to judicial units. The domestic political situation has been alternately tense and relaxed.

The official pointed out: As far as I know, DPP members are extremely eager to participate in the aforementioned three organizations. However, because of frequent

strained relations between the ruling and opposition parties, opportunities for involving DPP figures in policymaking have been lost.

The official said: Although nearly all members of the aforementioned three organizations already have been decided, the absence of opposition personages at these organizations has become a main reason why the government's policies have not been able to win popular support.

Armed Forces Cut by 10,000 'Next Fiscal Year'

OW0912183590 Taipei CNA in English 1548 GMT
9 Dec 90

[Text] Taipei, Dec. 9 (CNA)—National Defense Minister Chen Lu-an said that the Republic of China will cut its armed forces by 10,000 people in the next fiscal year with its policy of maintaining a leaner crack troops.

The military reduction, however, will not reduce the combat readiness and fire power of the armed forces, Chen said in an exclusive interview with the CENTRAL NEWS AGENCY on Sunday.

During the interview, the former economic affairs minister stressed the importance of the national defense forces, in [words indistinct] across the Taiwan Strait have somewhat eased in recent years.

Efficient self-defense forces are necessary since the Chinese Communists have not yet renounced their hostile attempt to take Taiwan by force, Chen said.

"We must [words indistinct] beef up our forces so as to avoid getting involved in a war," Chen said.

Citing the August Iraqi invasion of Kuwait, Chen called on [words indistinct] to heighten their vigilance, as a war usually comes when it is thought [words indistinct].

Independence Advocate Given 10-Year Jail Sentence

OW0812182390 Taipei CNA in English 1530 GMT
8 Dec 90

[Text] Taipei, Dec. 8 (CNA)—The Taiwan High Court sentenced Huang Hua to 10 years in jail for preparing to commit sedition. The court verdict also deprived Huang of his civil rights for five years.

The verdict said Huang had proposed an independent statehood for Taiwan in a series of speeches around the island. His actions had gone beyond the boundary of freedom of speech, it added.

The court pointed out that Huang, 51, had been court martialled twice on similar charges and yet felt no remorse. "We decided to mete out a light sentence in consideration of his age and family, the presiding judge said.

Court officials said Huang can appeal after he receives an official copy of the verdict.

Moderate Export Growth Forecast for Next Year

*OW1012045090 Taipei CNA in English 0259 GMT
10 Dec 90*

[Text] Taipei, Dec. 10 (CNA)—Republic of China [ROC] exports will grow a moderate 5 to 10 percent next year, an official of the Council for Economic Planning and Development (CEPD) said Sunday.

The official pointed out that the impact of sluggish US economy on ROC exports will be offset by the nation's fruitful market diversification.

The United States, which once absorbed as high as 50 percent of ROC exports, now accounts for one third of its total exports in the first 11 months this year.

Exports to Asia and Europe have grown significantly to 38 percent and 18 percent respectively.

The CEPD official said world trade is expected to grow 6.1 percent next year from 4.9 percent in 1990. This development, together with a weakened US dollar and the ROC's market diversification, should be able to make the nation maintain a moderate export growth, he added.

According to Directorate General of Budget, Accounting and Statistics, ROC exports in 1991 will grow at an annual rate of 6.5 percent, and imports at 10.09 percent.

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